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16th Floor, The Harbour Front Building
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Fax: +92-21-35296018

www.engroenergy.com

GREEN OFFICE

Design: R-Square

engro powergen qadirpur

energy for pakistan

Annual Report 2018

about the cover

This year's theme features the iconic landmarks of Pakistan that showcase the solidarity and strong foundations of the country while also representing its true potential and energy as a 'nation'.

Engro Powergen Qadirpur Limited (EPQL) is proud to be a part of and a humble contributor to the energy landscape of Pakistan. By illuminating lives of Pakistani households across the length and breadth of the country through its contribution of 220MW of electricity to the national grid, EPQL continues to provide energy sustenance to the nation. We are also impacting the local economy by conserving energy, and the environment through reduction of carbon footprint. Through our interventions and our people we are working tirelessly to make Pakistan brighter and more prosperous for now and generations to come.

This year's report is a true testament of the dynamism that now makes Pakistan considered as one of the most emerging nations of the world.

Derawar Fort
Ahmadpur East Tehsil, Punjab,

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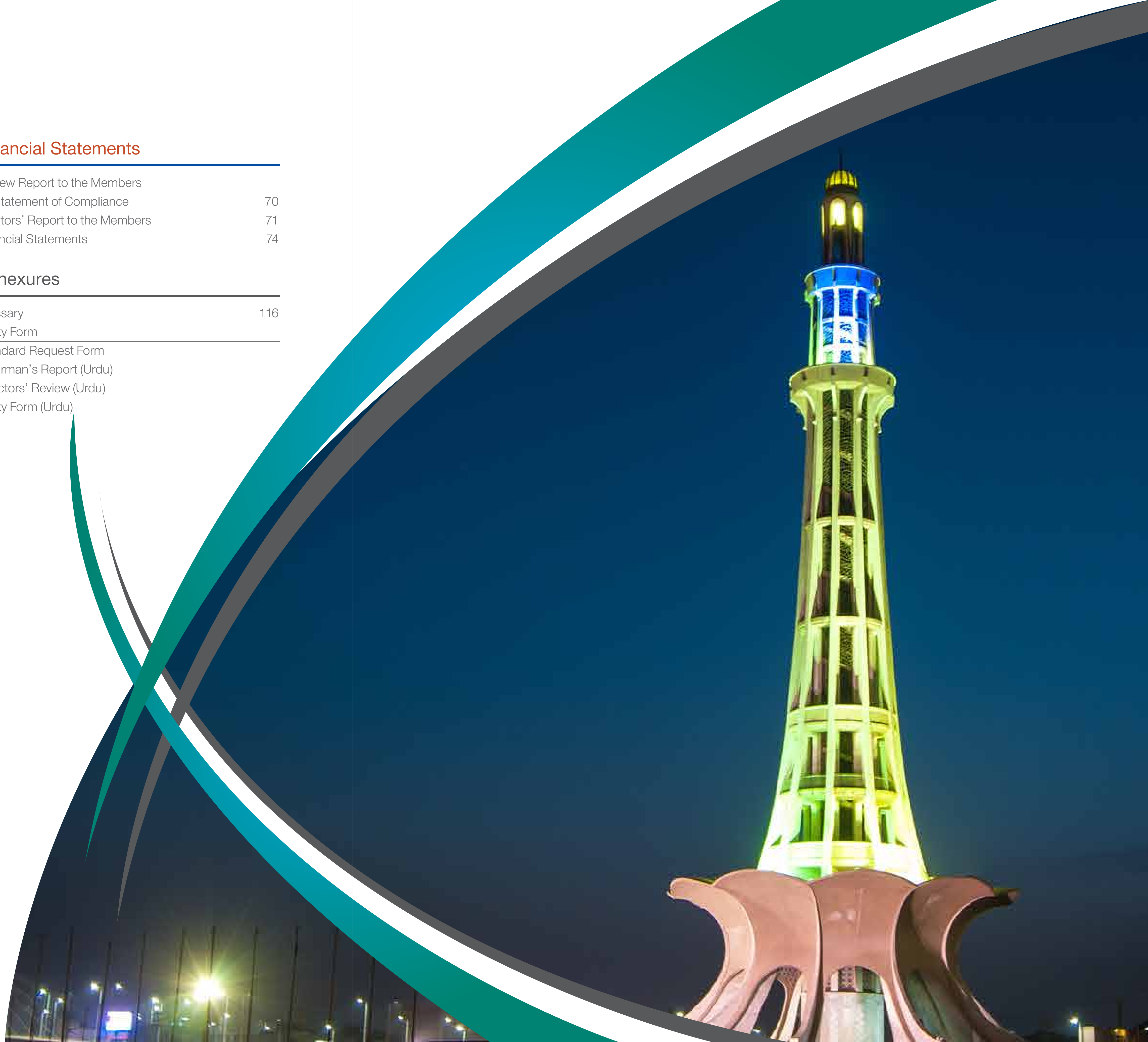


Minar-e-Pakistan
Lahore, Punjab

energy for tomorrow

Company Information

Clock Tower
Faisalabad, Punjab

company information

Board of Directors
Shamsuddin A. Shaikh - Chairman
Shahab Qader - Chief Executive Officer
Aliya Yusuf
Hasnain Moochhala
Javed Akbar
Mohsin Ali Mangi
Shabbir Hashmi
Shahid Hamid Pracha
Vaqar Zakaria

Board Audit Committee
Javed Akbar - Chairperson
Shabbir Hashmi
Aliya Yusuf

Company Secretary
Mehreen Ibrahim

Chief Financial Officer
Unser Owais

Corporate Audit Manager
Syed Zaib Zaman Shah

Bankers / Development Finance Institute
Albaraka Bank Ltd
Allied Bank Ltd.
Bank Alfalah Ltd.
Faysal Bank Ltd
Habibsons Bank Ltd. London
National Bank of Pakistan
MCB Bank Ltd.
Pak Kuwait Investment Company (Pvt) Ltd.
Soneri Bank Ltd.
The Bank of Punjab

Auditors
A.F. Ferguson & Co. Chartered Accountants
State Life Building No. 1-C, I.I. Chundrigar Road, Karachi
Telephone: +92(21)32426682-6/32426711-5
Fax: +92(21)32415007 / 32427938

Registered Office
16th Floor, The Harbour Front Building, HC-3, Marine Drive,
Block- 4, Clifton, Karachi – 75600, Pakistan
UAN: +111 211 211
PABX: +92-21-35297875-81

Plant Site
Engro Powergen Qadirpur Plant Site
Deh Belo Sanghari, Taluka, District Ghotki, Sindh

Share Registrar
FAMCO Associates (Private) Limited
8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S.,
Shahra-e-Faisal, Karachi
Tel: +92-21-34380101-5
Fax: +92-21-34380106

Website
www.engroenergy.com

our history

On 27th March 2010, the spark of an idea conceived in one team’s imagination became reality and Engro Powergen Qadirpur declared commencement of commercial operations.

At the turn of the century, Pakistan was anticipated to face severe and debilitating power shortages in the near future. We decided to take up the challenge and contribute to reducing the energy shortfall in the Country. The search for a viable long-term power project led to something extraordinary as vision and ingenuity came together to find the answer to the challenge.

For several years employees of Engro while travelling on the National Highway from Sukkur to Daharki, passed the Qadirpur gas field. Located 600 km from Karachi, the Qadirpur gas field is amongst Pakistan’s largest gas reserves. From the highway they could see a huge flare of permeate gas. This flare, which is the by-product of the gas purification process, consisted mainly of Methane (60%), Carbon Dioxide (31%), Nitrogen (8%), Hydrogen Sulfide (320ppm), and about 1% of other hydrocarbons. The sulfur content made it unfit for household consumption. Our team was finally struck with the idea that energy could be harnessed from this waste gas. Use of permeate gas for electricity generation would also reduce carbon dioxide emissions produced when the gas is flared, hence its utilization resulted in a ‘green solution’ falling in line with Engro’s philosophy. And so that short journey from Sukkur to Daharki became the stepping stone for our journey into the power sector.

A team was immediately formed to work on the feasibility of a permeate gas power plant. The project team’s diligence & perseverance was finally rewarded when construction on a 217 MW combined cycle power plant was started in 2008. On 27th March 2010, the spark of an idea conceived in one team’s imagination became reality and Engro Powergen Qadirpur declared commencement of commercial operations. Our Plant was the first power plant to be commissioned under the 2002 power policy and was completed in record time after the letter of intent (LOI) application. Our expertise coupled with relentless determination resulted in the Plant achieving commercial operations three months before the agreed schedule date.

The electricity generated through the Plant is transmitted to the National Transmission and Dispatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007 which is valid for a period of 25 years from the Commercial Operations Date.

The project is unique as it converts low-BTU, high sulfur content permeate gas, which was earlier being wasted and flared, into much needed electric power. The Plant is a combined cycle plant, with 1+1+1 configuration; i.e. one gas turbine, one heat recovery steam generator (HRSG), and one steam turbine. The Plant uses permeate gas as its primary fuel source and HSD as backup fuel. The unique fuel usage, which was previously being flared, makes Engro Powergen Qadirpur Limited one of the lowest opportunity cost thermal power plants in the country.

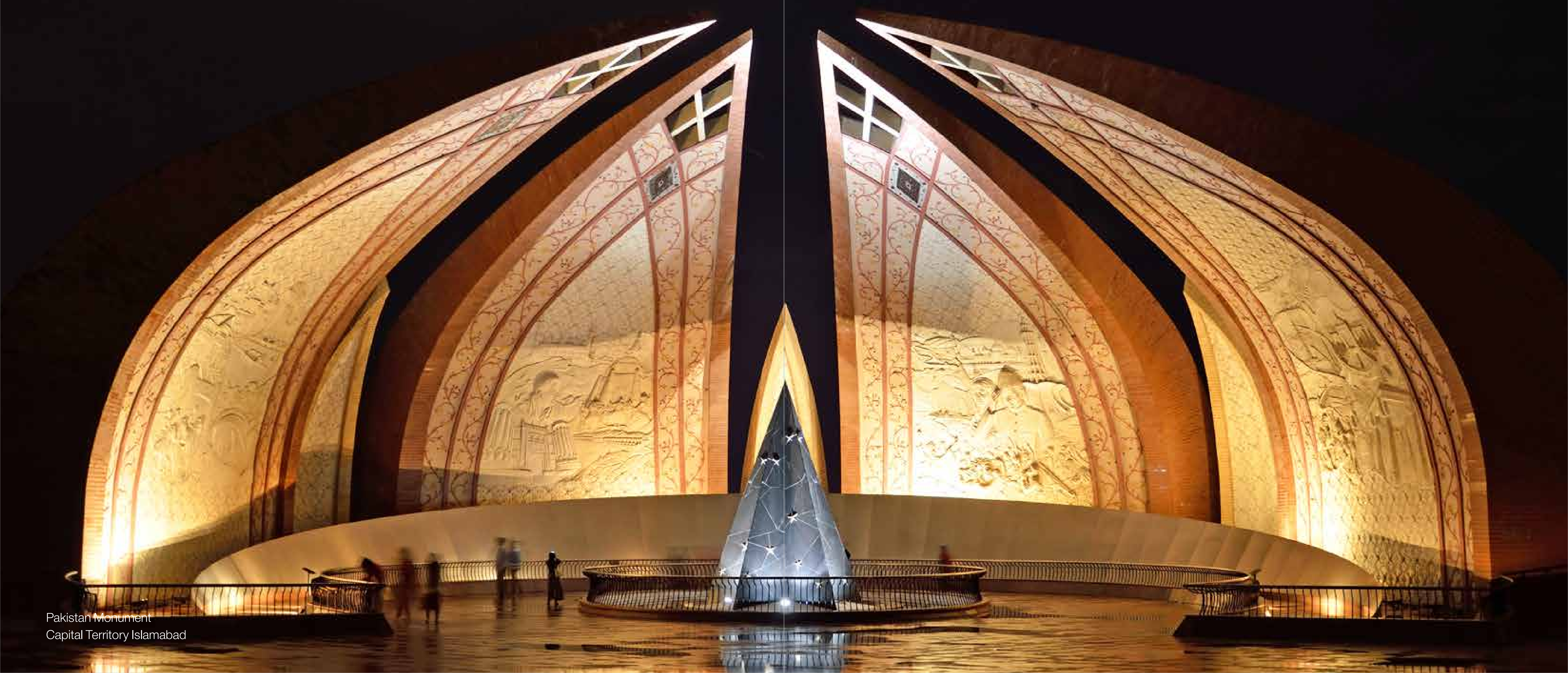
The Plant has a huge social impact as it helps provide non-stop electricity supply to areas that face severe load shedding; and employment to the locals.

vision statement

To ensure affordable energy and reliable operations thereby creating value for all stakeholders.

mission statement

Plant operations and maintenance in a manner resulting in continuous supply to national grid by harnessing human talent and local resources giving high priority to health, safety and environment in a positive, sustainable and affordable way.



Pakistan Monument
Capital Territory Islamabad

our corporate objectives 2018

Maintain highest workplace safety standards

Ensure reliability and sustainability of operations and business processes

Continue with our commitment towards education, health and infrastructure in areas in which we operate

Explore options on alternate sources of fuel supply for future needs

Continue to benchmark performance against acclaimed environmental practices as per World Bank and National Environmental Quality Standards

Develop and retain talent

our milestones

January & September 2005

Proposal submitted to PPIB for setting up permeate gas power plant. Permeate gas allocation from Qadirpur Gas field approved

February 2006

Engro Energy (Private) Limited was incorporated

July 2007

Tariff determined by National Electric Power Regulatory Authority (NEPRA)

October 2007

Power Purchase Agreement (PPA) and Implementation Agreement (IA) signed

April 2008

Gas Supply Agreement (GSA) signed with Sui Northern Gas Pipelines Limited (SNGPL) and financial close achieved

October 2008

International Finance Corporation (IFC) Equity Injection

March 2010

Commercial Operations Date (COD) achieved 3 months before the planned date

November 2010

Engro Energy (Private) Limited renamed as Engro Powergen Qadirpur Limited (EPQL)

December 2014

Listing on Pakistan Stock Exchange (PSX)

April & May 2015

Successfully carried out first major inspection activity conducted after every six years of Plant operations

November 2017

Successfully conducted OHIH second party Audit

January 2018

Received Environmental Stewardship Award from the National Forum for Environment & Health (NFEH)

our core values

At Engro, we support our leadership culture through unique systems and policies, which ensure open communication, foster an environment of employee and partner privacy, and guarantee the well-being and safety of our employees.

Our core values form the basis of everything we do at Engro: from formal decision making to how we conduct our business to spot awards and recognition. At Engro, we never forget what we stand for. Following are our core values:

Ethics & Integrity

We do care how results are achieved and will demonstrate honest and ethical behavior in all our activities. Choosing the course of highest integrity is our intent and we will establish and maintain the highest professional and personal standards. A well-founded reputation for scrupulous dealing is itself a priceless asset.

Health, Safety & Environment

We will manage and utilize resources and operations in such a way that the safety and health of our people, neighbors, customers and visitors is ensured. We believe our safety, health and environmental responsibilities extend beyond protection and enhancement of our own facilities.

Innovation & Risk Taking

Success requires us to continually strive to produce breakthrough ideas that result in improved solutions and services. We encourage challenges to the status quo and seek organizational environments in which ideas are generated, nurtured and developed. Engro appreciates employees for well thought out risks taken in all realms of business and for the results achieved due to them, acknowledging the fact that not all risks will result in success.

Our People

We strongly believe in the dignity and value of people. We must consistently treat each other with respect and strive to create an organizational environment in which individuals are fairly treated, encouraged and empowered to contribute, grow and develop themselves and help to develop each other. We do not tolerate any form of harassment or discrimination.

Community & Society

We believe that a successful business creates much bigger economic impact and value in the community, which dwarfs any philanthropic contribution. Hence, at Engro, sustainable business development is to be anchored in commitment to engage with key stakeholders in the community and society.

energy for people

Corporate Governance

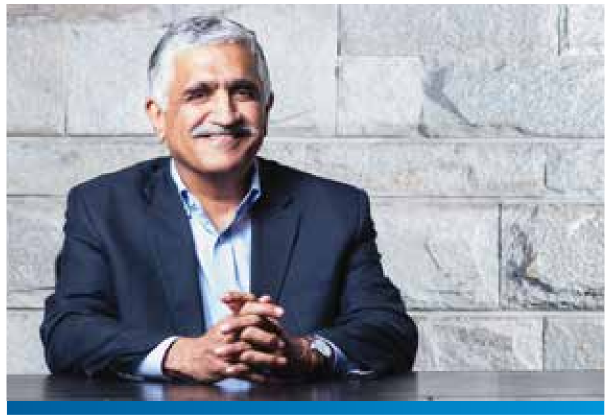
Badshahi Mosque
Lahore, Punjab

board of directors

Left to Right (Sitting)
Mr. Shahab Qader
Mr. Vaqar Zakaria
Mr. Shamsuddin A. Shaikh
Ms. Aliya Yusuf
Mr. Shahid Hamid Pracha

Left to Right (Standing)
Mr. Mohsin Ali Mangi
Mr. Javed Akbar
Mr. Hasnain Moochhala
Mr. Shabbir Hashmi

directors' profile



Shamsuddin A. Shaikh
Chairman

Shamsuddin A. Shaikh is the CEO of Engro Energy Ltd. (Formerly known as Engro Powergen Ltd.), Thar Foundation and Chairman of Engro Powergen Thar Pvt. Ltd. as well as Engro Powergen Qadirpur Ltd. Prior to his current position, Shamsuddin was Senior Vice President at Engro Foods. He is a member of the Board of Directors of Thar Power Company Ltd. and Engro Energy Limited.

Shamsuddin has an extensive career of over 25 years in Manufacturing, Sales, Commercial and Supply Chain at different levels and subsidiaries of Engro Corporation. Shamsuddin has a BE (Mechanical) from NED University while he attained an MS in Industrial Engineering along with an MBA from Colorado State University.

Shahab Qader
CEO

Shahab has had more than 21 years of industry experience in the chemical process and power utility industry where his expertise ranges from project development and project execution to Operations & Management. In addition to having worked through project development and execution at a senior level, Shahab has been part of Operations & Management teams in the first twelve years of his career.

He holds a Bachelors in Electrical Engineering from UET. He joined the EPQL board in March 2017.

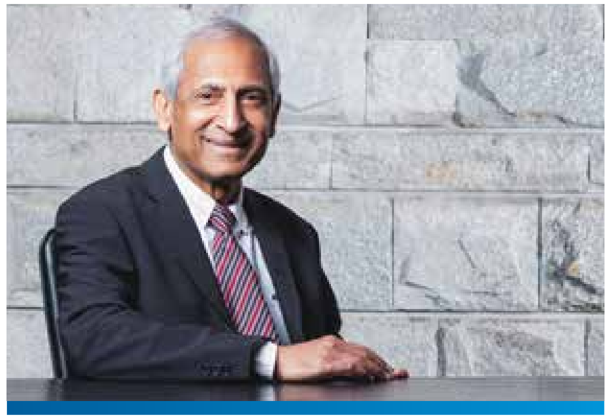
Aliya Yusuf
Director

Aliya Yusuf is a Partner at the law firm of Orr Dignam & Co. and is based at the Firm's Karachi office. She is an Advocate of the High Court of Sindh and a Barrister from Gray's Inn. As with other Partners of the Firm, she deals with a wide range of corporate, financial and commercial matters. Her focus areas are M&A (including privatization) and project work, joint ventures in the energy, pharmaceutical and communication sectors and real estate development. She is a graduate of the University of Cambridge. She joined the EPQL Board in 2008.

Hasnain Moochhala
Director

Hasnain Moochhala joined Engro Corporation Limited as Chief Financial Officer in June 2017. Prior to that he has had a career in Commercial Finance, M&A, Corporate Governance, Treasury and Audit over 30 years across Europe and Asia. The last 20 years of his career was with Royal Dutch Shell in various roles including Finance Director Shell Pakistan, Head of Finance for Shell Lubricants Asia Pac, Head of Downstream M&A East and Finance Manager Upstream Joint Ventures.

Hasnain has partnered with businesses of significant size across China, South and East Asia, delivering turnaround business performance whilst ensuring robust business controls and compliance in matrixed organizations. His key achievements in prior roles include the delivery of material M&A transactions, the formulation of global best practice in Joint Venture Governance, cost leadership and the building of strategic partnerships with various stakeholders. Hasnain has also led, coached and mentored teams in Singapore and Pakistan, as well as virtual teams across Asia Pacific and Europe.



Vaqar Zakaria
Director

Vaqar Zakaria has 40 years' experience in energy and environmental management in Pakistan and in the region. His professional focus has been on business policy and strategy evaluation, planning of energy production and distribution systems, energy pricing, demand forecasting, and environmental assessment of energy projects. With private sector firms, he has been extensively involved in power, and oil and gas infrastructure projects, including conceptual planning, engineering and project management. He has assisted the Planning Commission, energy ministries, state owned utilities, the World Bank, the Asian Development Bank, and the private sector in the development of energy infrastructure, policies to promote investment in the energy sector, and in formulating short and long-term energy plans. He played a key role in setting up Hagler Bailly Pakistan in 1990, where he continues to oversee all organizational matters. He has also been instrumental in establishing the Himalayan Wildlife Project, an NGO active in setting up national parks and assisting the communities and government in management of the protected areas. He holds Bachelors and Master's degrees in Chemical Engineering from the Massachusetts Institute of Technology (MIT), USA. He joined the EPQL Board in 2008.

Mohsin Ali Mangi
Director

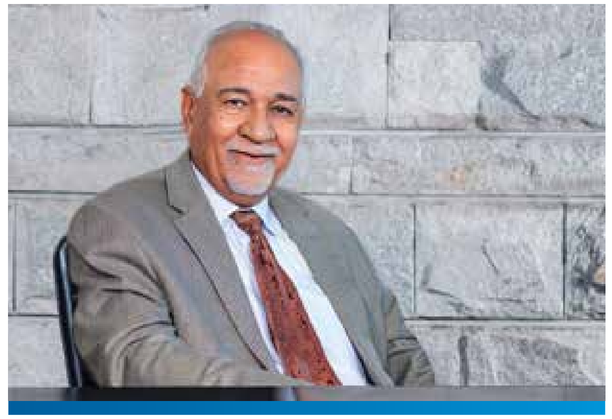
Mohsin Ali Mangi is currently Head of Agri-business Solutions & Rahbar Pilot Project at Engro Fertilizers Ltd. Prior to this Mohsin was the Chief Operating Officer at Engro Vopak Terminal Ltd and Engro Elengy Terminal (Pvt) Ltd.

Mohsin has held diverse roles in Engro. During his tenure as the Head of International Trade, Engro Fertilizer became one of the largest Corporate DAP importers in the world.

As the CFO of Engro Polymer and Chemicals Ltd, Engro Fertilizers Ltd and Engro Powergen, Mohsin successfully completed the financial re-structuring of the affiliates and has also worked on Tariff determination and initial coal pricing methodology for Thar coal mine.

Having a vast investment banking and project finance experience in Pakistan and abroad Mohsin brings proven expertise in overseeing the commercial, operational & financial aspects of the business.

Mohsin believes that the power of digitization can create socio-economic upliftment with its access to marginalized communities.



Javed Akbar
Director

Javed Akbar is a Chemical Engineer and has over 40 years of experience in fertilizer and chemical business with Exxon, Engro and Vopak in Pakistan and overseas. He was part of the buyout team in 1991 when Exxon divested its stake in Engro.

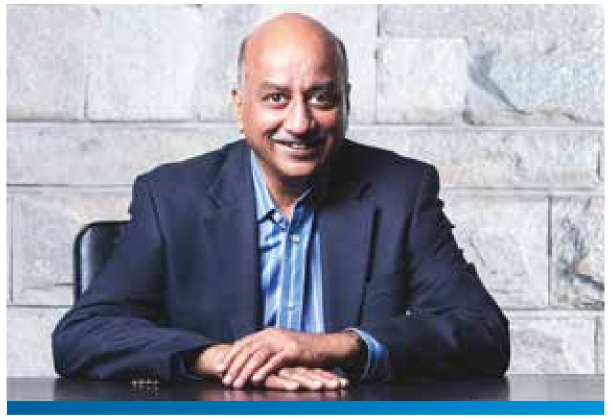
Prior to his retirement in 2006, he was Chief Executive of Engro Vopak Terminal Limited, a joint venture between Engro and Royal Vopak of Holland. After retirement, he established a consulting company specializing in analyzing and forecasting petroleum, petrochemical and energy industry trends and providing strategic insight.

He currently serves on the board of companies involved in fertilizer, petroleum, power and renewable energy. He joined the EPQL Board in 2010.

Shahid Hamid Pracha
Director

Shahid Hamid Pracha chairs the Boards of Dawood Lawrencepur Limited, Tenaga Generasi Limited, Reon Limited and is a board director at Inbox Business Technologies Limited. He has been associated with the Dawood Hercules Group since 2007 and formerly served as a board director of Engro Corporation Limited and it's subsidiaries Engro Fertilizer and Engro Powergen as well as the Hub Power Company Limited. He retired as Chief Executive of Dawood Hercules Corporation in October 2014 after previously working as the CEO of The Dawood Foundation, the philanthropic arm of the group. Whilst in that role, he was concurrently the first CEO of The Karachi Education Initiative, the sponsoring entity of the Karachi School for Business & Leadership.

He is a graduate electrical engineer from the University of Salford, UK and prior to joining the Dawood Hercules Group, spent a major part of his career with ICI Plc's Pakistan operations in a variety of senior roles including a period of international secondment with the parent company in the UK. He joined the EPQL Board in 2010.



Shabbir Hashmi
Director

Shabbir Hashmi has more than 35 years of project finance and private equity experience. At Actis Capital, one of the largest private equity investors in the emerging market, he has led the Pakistan operations. Prior to Actis, he was responsible for a large regional portfolio of CDC Group Plc for Pakistan and Bangladesh. He also did a long stint with USAID and later briefly with the World Bank in Pakistan, specializing in planning and develoment of energy sector of the country. In the past, he has held more than 24 board directorships as a nominee of CDC/Actis and 11 directorships as an independent director.

Currently, he is serving as an independent director on the Boards of DH Corporation Limited, Dawood Lawrencepur Limited and Engro Powergen Qadirpur Limited.He is also on the board of governors of The Help Care Society which is operating K-12 schools in Lahore for underprivileged children. He is an engineer from Dawood College of Engineering & Technology, Pakistan and holds an MBA from J.F. Kennedy University, USA. He joined the EPQL Board in 2010.

board committees

Board Compensation Committee
The committee meets multiple times through the year to review and recommend all elements of the compensation, organization and employee development policies relating to employees including senior executives and to approve all matters related to the salary plans, employee development plans, executive appraisals and succession planning.

The committee met once physically and once through circulation during 2018.

Committee Members:

Mr. Shamsuddin A. Shaikh	Chairman
Mr. Javed Akbar	Member
Mr. Vaqar Zakaria	Member

The secretary of the Board Compensation Committee is Mr. Kashif Ahmed Soomro

The Board Audit Committee
The committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call on information from management and to consult directly with the external auditors or their advisors as considered appropriate.

The Chief Financial Officer regularly attends the Board Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board.

The Committee met four times during 2018.

Committee Members:

Mr. Javed Akbar	Chairman
Ms. Aliya Yusuf	Member
Mr. Shabbir Hashmi	Member

The Secretary of the Committee is Syed Zaib Zaman Shah

functional committees

These committees act at the operational level in an advisory capacity to the Chief Executive, providing recommendations relating to businesses and employee matters.

Management Committee (MANCOM)

MANCOM is headed by the CEO, and includes the functional heads of all departments. The committee meets to discuss Company's performance and works in an advisory capacity to the CEO.

Committee Members

Mr. Shahab Qader	Chairman
Mr. Imran Aslam	Member
Mr. Kashif Ahmed Soomro	Member
Mr. Zia Haider	Member

The Secretary of the committee is Mr. Waqar Ahmed

Committee for Organizational and Employee Development (COED)

The COED is responsible for the review of compensation, organization, training and development matters of all employees.

Committee Members:

Mr. Shahab Qader	Chairman
Mr. Farooq Nazim Shah	Member
Mr. Kashif Ahmed Soomro	Member
Mr. Syed Manzoor Hussain Zaidi	Member

The Secretary of the committee is Ms. Rida Baqai.

internal control framework

Responsibility

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board, whilst maintaining its overall responsibility for managing risk within the Company, has delegated the detailed design and operation of the system of internal controls to the Chief Executive Officer.

Framework

The Company maintains an established control framework comprising clear structures, authority limits, and accountabilities, well understood policies and procedures and budgeting for review processes. All policies and control procedures are documented in manuals. The Board establishes corporate strategy and the Company's business objectives. Divisional management integrates these objectives into divisional business strategies with supporting financial objectives.

Review

The Board meets quarterly to consider the Company's financial performance, financial and operating budgets and forecasts, business growth and development plans, capital expenditure proposals and other key performance indicators.

The Board Audit Committee receives reports on the system of internal financial controls from the external and internal auditors and reviews the process for monitoring the effectiveness of internal controls.

There is a company-wide policy governing appraisal and approval of investment expenditure and asset disposals. Post completion reviews are performed on all material investment expenditure.

Audit

EPQL has an Internal Audit function. The Board Audit Committee annually reviews the appropriateness of resources and authority of this function. The Head of Internal Audit functionally reports to the Board Audit Committee. The Board Audit Committee approves the audit program, based on an annual risk assessment of the operating areas. The Internal Audit function carries out reviews on the financial, operational and compliance controls and reports on findings to the Board Audit Committee, Chief Executive and the divisional management.

Directors

As at December 31, 2018 the Board comprises of one executive Director, one independent Director, seven non-executive Directors of whom three are executives in other Engro companies, who have the collective responsibility for ensuring that the affairs of EPQL are managed competently and with integrity.

A non-executive Director, Shamsuddin A. Shaikh, chairs the Board and the Chief Executive Officer is Shahab Qader. Biographical details of the Directors are given earlier in this report. A Board of Directors' meeting calendar is issued annually that schedules the matters reserved for discussion and approval. The full Board met six times this year and discussed matters relating to inter alia long term planning, giving consideration both to the opportunities and risks of future strategy.

All Board members are given appropriate documentation in advance of each Board meeting. This normally includes a detailed analysis on the business and full papers on matters where the Board will be required to make a decision or give its approval.

statement of compliance with listed companies (code of corporate governance) regulations, 2017

The Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) in the following manner:

1 The total number of directors are nine as per the following:
a Male: 8
b Female: 1

2 The Composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Javed Akbar
Executive Director	Mr. Shahab Qader
Non-Executive Directors	Mr. Shamsuddin A. Shaikh Mr. Shabbir Hashmi Mr. Hasnain Moochhala Mr. Shahid Hamid Pracha Ms. Aliya Yusuf Mr. Vaqar Zakaria Mr. Mohsin Ali Mangi

3 The Directors have confirmed that none of them is serving as a Director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

4 The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5 The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6 All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7 All the meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose.The Board has complied with requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8 The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9 The Board has arranged Directors’ Training program for Mr. Hasnain Moochhala during the year.

10 The Board has approved appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There was no change in the position of Head of Internal Audit during the year.

11 The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12 The Board has formed committees comprising of members given below:

Board Audit Committee
Mr. Javed Akbar - Chairman
Ms. Aliya Yusuf - Member
Mr. Shabbir Hashmi – Member

Board Compensation Committee:
Mr. Shamsuddin A. Shaikh - Chairman
Mr. Javed Akbar - Member
Mr. Vaqar Zakaria- Member

13 The Terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14 The frequency of meetings of the Committees were as per following:
- Board Audit Committee – Quarterly
- Board Compensation Committee – Yearly

15 The Board has set up an effective internal audit function who are suitably qualified and experienced personnel for the purpose and are conversant with the policies and procedures of the Company.

16 The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17 The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18 We confirm that all other requirements of the Regulations have been complied with except for the following, towards which reasonable progress is being made by the Company to seek compliance by the end of next accounting year:

S. No.	Rule/Sub Rule No.	Reason for Non-Compliance	Future Course of Action
1	29/(1)	The Chairman of the Board Compensation Committee is not an independent director.	An independent director will be appointed as Chairman of the Board Compensation Committee.

Shamsuddin A. Shaikh
Chairman

Shahab Qader
Chief Executive Officer

energy for change

Directors Report

Islamia College
Peshawar,
Khyber-Pakhtunkhwa

chairman's report

Dear Shareholders,
For almost a decade Engro Powergen Qadirpur Limited (EPQL) has been a part of Pakistan's economic and energy landscape sharing the various challenges and triumphs that our country has offered; such as the unprecedented energy crisis, the circular debt; and gas shortages amongst others. However, over the course of the past few years the energy landscape of Pakistan has seen significant transformation for the better, which has enabled EPQL to remain committed to developing solutions that continue to power Pakistan.

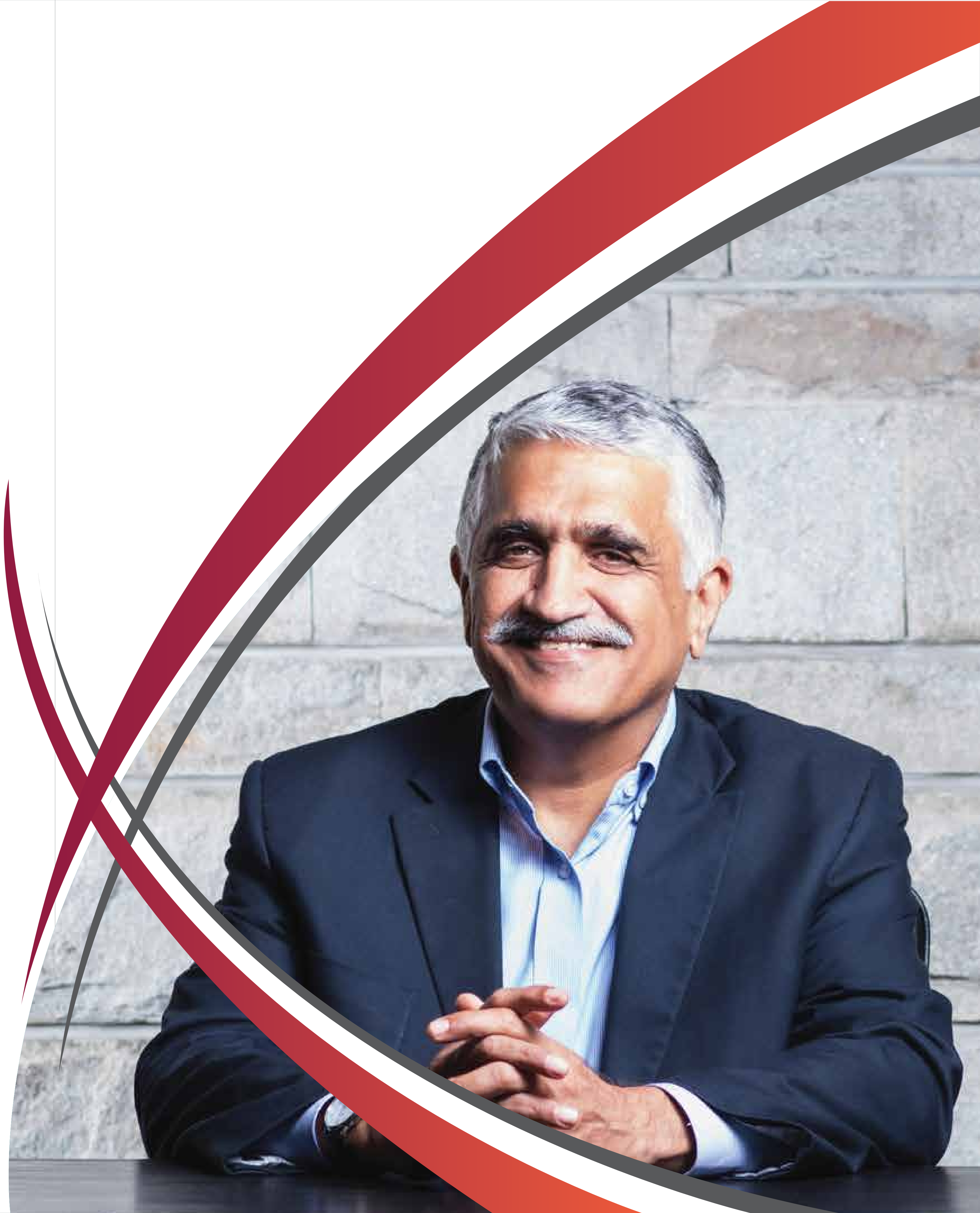
Our focus stems from our vision to produce energy that is available, affordable and sustainable for our nation at the earliest possible time by synergizing capital with top engineering capabilities. While we expect that the share of furnace oil-based generation will continue to decline over the next few years; it is imperative that the issue of circular debt be resolved in order to make the energy ecosystem of the country more effective and efficient. During the year we continued in our drive to explore availability of alternate fuel options for the EPQL plant which current draws its permeate gas from the Qadirpur field.

Last year we pledged our commitment to you – our investors – for striking a balance between operational excellence and adopting a proactive posture to the future. This year we acted upon that very promise and underwent a stellar execution of optimization efforts which will further strengthen our presence in the dynamic energy market of Pakistan. This was brought about via a two-pronged approach where we focused on digitization and adoption of industrial internet technologies to imbue technical efficiencies in our operations and secondly by optimizing our costs to ensure competitiveness. Through these efforts we aim to create value for our shareholders by pursuing a relentless focus on discipline and continuous innovation. As we forge ahead with this newly adopted business framework, we are certain that the business transformation will yield significant results across our operations.

We continue to draw hope from the progress our nation has made overcoming many obstacles and look to the future with the confidence that we too can meet the tests of time. For EPQL it has been a distinct pleasure to be a force of good in the communities that we operate. We have always remained an organization passionate about purpose beyond profit, and it is this purpose-inspired growth strategy that sets us apart from others and guides us to run various programs focused on high-impact areas such as health, education and skills development in the communities that host us. As we go forward, we will continue to work with a wide variety of stakeholders to ensure that we do more for our shareholders, our partners, our people and our communities.

The future is volatile and not without challenges. However, with your confidence and trust, commitment of our people and leveraging the deep-rooted culture of engineering excellence, I am confident that the years ahead will continue to bring opportunities and value for us all.

Shamsuddin A. Shaikh
Chairman



ceo's message

Dear Shareholders,
In today's world of instant messages and rapid response, it's easy to get caught up in whatever is pressing at any given moment. But it's also easy to lose sight of the bigger picture. EPQL recognizes and has embraced the importance of taking the long view. Our business model, strategies and growth plans are driven by a clear vision of the role we aspire to play in creating energy for a better and brighter Pakistan in the decades to come.

That kind of long-term thinking is more critical than ever in a world facing significant long-term social, economic and environmental challenges – including the challenge to lower global emissions to address climate change; adapt to market forces and dynamics of changing energy sector of Pakistan; & responding to policy and economic changes amongst others. To be an energy provider of choice going forward, companies like EPQL need to build pathways towards global competitiveness, on both cost and operations – and with the right mindset and organizational excellence, we believe EPQL is well placed to adapt and respond to these challenges.

In 2018, EPQL demonstrated a billable availability factor of 99.9% compared to 100.3% last year. It dispatched a total net electrical output of 1,526 GwH to the National Grid demonstrating a load factor of 81.9% compared to 92.9% last year. The decrease in load factor this year was primarily due to gas depletion from the Qadirpur gas field – a challenge that we foresee will be compounded in the years ahead, which we aim to address by finding alternate and feasible fuel options to ensure smooth operations of the plant. Consequently, in 2018 sales revenue for the year 2018 was PKR 11,874 million compared to PKR 11,590 million last year. The increase in sales revenue is mainly attributable to a higher USD indexation and higher gas price vs last year. Gross profit for the year was PKR 3,010 million against PKR 2,712 million last year. The increase in gross profit is primarily due to higher absorption of operation & maintenance costs on account of higher indexation vs last year.

We also need to ensure the benefits of resource development are shared more fully. It's not just about corporate profits – it's about something bigger which is why we focus so much effort on ensuring that communities we touch, participate with us to co-create our future. To this effect, we work collaboratively with several other companies as members of the United Nations Global Compact (UNGC) Local Network to promote action in support of broader UN goals. Throughout the year we worked with a number of non-profits to provide support and relief to the under-privileged communities in the domains of health, education and livelihoods.

Sustainability is a concept that is constantly evolving. However, in all that we do, we will continue to place one value above the rest – safety first. As part of our Journey to Zero safety program, EPQL is committed to eliminating all workplace incidents – a fact which is evident in our zero-loss workday injury and approximately 7.2 million hours of safe and successful plant operations since commencement of commercial operations. Like in previous years, in 2018 as well we ensured 100% compliance with National Environmental Quality Standards (NEQS) and World Bank Group guidelines. Moreover, the Company was successfully recertified on ISO 14001 and OHSAS 18001 standards, signifying its commitment to HSE. In addition, our efforts to ensure a safe and hazard free environment to our people and surrounding communities helped us obtain the NOC from Sindh Environmental Protection Agency (SEPA) for handling and storage of hazardous substances.

In a changing global and local scenario, we all have a role to play in shaping our shared energy future. The challenges we face are complex and require creative collaboration. We need to be bold, innovative and open-minded. By taking the long view and continuing to listen and learn from others, we at EPQL hope to play a constructive role in the transition to a better energy future.

Together, let's keep the conversation going.

Shahab Qader

Shahab Qader
Chief Executive Officer

operational highlights

7.2 mn
Man-hours without LWI from COD to Dec 31, 2018

99.9%
Billable Availability Factor in 2018

1,526
Net Electrical Output (GWh) in 2018

81.9%
Load Factor in 2018

92.3%
Utilization Factor in 2018

100%
National Environmental Quality Standards and World Bank guidelines compliance

key figures

	2018	2017
Sales Revenue	11,874 m	11,590 m
Gross Profit	3,010 m	2,712 m
Profit After Tax	2,628 m	2,391 m
Total Assets	24,174 m	21,291 m
Total Equity	11,533 m	9,813 m
Cashflow From Operations	3,377 m	3,052 m
Capex	163 m	85 m
Earnings per Share	8.11 PKR	7.38 PKR

directors’ report

The Directors are pleased to present the audited financial statements and a review of the Company’s performance for the year ended December 31, 2018.

Principal Activity

Engro Powergen Qadirpur Limited (EPQL) was established with the primary objective of undertaking the business of power generation and sale. The Company setup a 217.3 MW combined cycle power plant near Qadirpur, District Ghotki and commenced commercial operations on March 27, 2010. The project is unique as it converts permeate gas (low-BTU and high sulphur content gas) which was previously being wasted and flared, into much needed electricity. This unique fuel usage makes Engro Powergen Qadirpur Limited one of the lowest opportunity cost thermal power plants in the country. Electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under a Power Purchase Agreement (PPA) signed on October 26, 2007 which is valid for a period of 25 years from the date of commencement of commercial operations.

The Company is a subsidiary of Engro Energy Limited, formerly Engro Powergen Limited (EPL), which has a majority shareholding of 68.89% in the Company. The Company was listed on the Pakistan Stock Exchange (PSX) in 2014.

Market Review

The power sector of Pakistan has witnessed a major transformation over the last few years where it has moved to close down the demand-supply deficit of ~3,000 MW at peak demand levels by expediting commissioning of RLNG and local / imported coal power plants. Most of these power projects are expected to come online in next 1-2 years which is in line with the Government of Pakistan’s (GoP) claim of eliminating the demand-supply deficit by 2019-20. The GoP is also taking steps to phase out furnace oil based generation and replace it with coal, RLNG and renewables based generation. It is expected that the share of furnace oil based generation will decline to a negligible level in the overall energy mix in the coming years.

Another crucial challenge is to upgrade the current transmission infrastructure to handle this additional power generation. To overcome this challenge, the National Transmission and Dispatch Company (NTDC) is working to improve the current transmission network by upgrading existing transmission infrastructure and introducing new circuits. In parallel, the GoP is also facilitating, both local and overseas private investors for developing transmission lines.

Circular Debt

During the year the total overdue receivables of the Company increased from PKR 4,294 million as on December 31, 2017 to PKR 6,133 million as on December 31, 2018. Similarly, the total overdue receivables of the energy sector has increased from PKR 515 billion as on December 31, 2017 to PKR 808 billion as of December 31, 2018. Although the Company’s performance and profitability remains robust, the buildup of overdue receivables has adversely impacted the liquidity of the Company. The Company has always strived to smoothly manage its finances and ensure timely payments to all stake holders. However due to excessive build up of overdues, the company, for prudent financial management, has deferred declaration of final dividend. It is expected that government will take short term measures to bring down the level of energy sector overdues which may provide financial space to the Company to declare dividend.

81.9%

Load Factor
in 2018

Operational Overview

The Company demonstrated a billable availability factor of 99.9% in 2018 compared to 100.3% last year. It dispatched a total net electrical output of 1,526 GwH to the National Grid demonstrating a load factor of 81.9% compared to 92.9% last year. The decrease in load factor this year was primarily due to gas depletion from the Qadirpur gas field.

Financial Review

Sales revenue for the year 2018 was PKR 11,874 million compared to PKR 11,590 million last year. The increase in sales revenue is mainly attributable to a higher USD indexation and higher gas price vs last year. Gross profit for the year was PKR 3,010 million against PKR 2,712 million last year. The increase in gross profit is primarily due to higher absorption of operation and maintenance costs on account of higher indexation versus last year. Other income last year represents insurance income for business interruption loss suffered by the Company in 2016 on account of power purchaser’s (NTDC’s) auto transformer issues. Improvement in long term interest charges and higher interest income from NTDC helped to reduce financing cost this year which stood at PKR 196 million compared to PKR 269 million last year. During the year, two senior lenders’ installments aggregating US$ 20.6 million (principal repayment US$ 18.6 million) were paid. As a result, the total foreign loan now stands at US$ 26 million against the total project loan of US$ 144 million.

Overdue from NTDC stood at PKR 6,133 million as on December 31, 2018 vs PKR 4,294 million as on December 31, 2017. Similarly, overdue amount payable to SNGPL on December 31, 2018 was PKR 3,605 million vs PKR 1,716 million as of December 31, 2017.

The Company earned a net profit of PKR 2,628 million for 2018 as compared to PKR 2,391 million last year which resulted in earnings per share are of PKR 8.11 for 2018 as compared to PKR 7.38 last year.

Gas Scenario

The Company has a Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL), for supply of 75 MMCFD permeate gas from the Qadirpur Gas Field. Although the gas supply from the Qadirpur gas field has started to deplete, the Company is protected from the effects of gas depletion as its agreements allow it to comingle fuel i.e. operate the Plant on both gas and High Speed Diesel (HSD). Further under the terms of the Implementation Agreement (IA), the GoP is obligated to reimburse the Company for fuel conversion costs and subsequent operations on alternate fuel as a gas depletion mitigation option. Accordingly, the Company has commenced work on finding a long term alternate fuel option.

Social Investments

Our communities continue to form an integral part of our value chain, and we are proud to engage and invest in initiatives that uplift and support these communities. Our focus continues to be on strengthening the capacity of people through interventions in livelihood, education, and health. Through the year the Company invested in various CSR programs focused in and around the communities that host us.

On the livelihood front, skills training programs remain central to our community investments as they provide opportunities for employment and self-sustenance. This year, we focused on empowering the women of our communities by providing them with opportunities to generate income for their families.

Quality education is the foundation for sustainable development of any community. We believe in a strategic approach to support education initiatives with impactful interventions at various levels. This year, we engaged students in the Katcha school through various activities. Moreover, we launched an awareness campaign to promote the use of helmets for motorcyclists. We partnered with the local police and conducted the campaign in Ghotki district. In totality, we distributed helmets among 150 riders with valid licenses who successfully completed the road safety quiz.

We have a long history of reaching out to communities to provide quality health care to the most under privileged people of the country. This year we partnered with other stakeholders to jointly organize medical camps for vicinity villages targeting preventive and curative healthcare including screening and diagnosis for hepatitis, malaria and typhoid. Through these camps vaccinations were performed for approximately 1,500 people of vicinity villages. In addition, a specific Hepatitis camp for Katcha area was also organized reaching out to over 1,000 people. Our annual flagship eye camp – organized in collaboration with Al-Shifa Trust – continued its successful streak and achieved 2,500 OPDs and 425 Surgeries against a target of 2,000 OPDs. The activity was conducted over the course of 4 days with the help of around 50 employee volunteers.

Our People

Time and again we have maintained that our continued success can be credited to our people. Our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence is what drives our success. Throughout 2018, we reevaluated our HR strategy to integrate optimization efforts along with adopting industry best practices.

Building on our commitment to establish a sustainable institutional mechanism to hire and retain people, the Company was successful in achieving its goals with regards to its investments in human resources throughout 2018. Building on its strong human resource policies, our combined strength has increased, matched by our commitment to ensure that we provide the best work environment to our employees.

In 2018, Engro Powergen Qadirpur Limited continued to consolidate its enabling organizational culture and deployed refresher campaign for our core values. In order to attract the best up and coming talent, the Company devised a focused and targeted recruitment drive titled "Qadirpur Trainee Engineers Drive" which provided fresh engineers from the local vicinity to get a 2-year training at our plant site in Qadirpur.

In order to ensure that our talent remains equipped with the requisite skills set, we renewed our focus on improved talent management system based on training frameworks developed after performing training needs analysis. The Company clocked in a total of over 1,000 training hours focused on both functional/technical skills and soft-skills throughout 2018.

As we forge ahead, the Company aims to develop and implement its talent management system to ensure that our ability to attract, recruit and retain the best talent in the country continues to remain competitive. As part of the increased focus on developing future leaders we will kick off more structured trainings and mentoring programs amongst the employees to ensure that we continue to fuel the learning curve for our employees.

Health, Safety & Environment (HSE)

We not only value our people but are also cognizant of the environment in which we operate. Our compliance and governance activities ensured that EPQL's processes and HSE standards remain at par with global best practices. We ensured 100% compliance with National Environmental Quality Standards (NEQS) and World Bank Group guidelines.

The Company successfully recertified ISO 14001 and OHSAS 18001 rating; signifying its commitment to HSE. Our efforts to ensure a safe and hazard free environment to our people and surrounding communities helped us obtain the NOC from SEPA for handling and storage of hazardous substances.

0

loss work day injuries (LWI) in 2018

Our focus on safety has always been relentless. The quality of our Process Safety Management (PSM) and Process Safety & Risk Management (PSRM) systems is reflected in the fact that the Company has maintained zero Loss Workday Injury; completed 7.2 million safe man hours & over 3200 days safely without LWI since Commercial Operations Date (COD) of the project. Our commitment towards providing a safe work place for our people was recognized by the National Forum for Environment and Health (NFEH), as we received the Fire Safety Award in 2018.

Commitment to environment is also an integral part of our HSE efforts. We have been successful in obtaining Green Office recertification in 2018. Our efforts to minimize our carbon footprint were also recognized by the National Forum for Environment and Health (NFEH), as EPQL was recognized in the category of "Environmental Stewardship" at the 10th CSR Awards held in 2018.

Near Term Outlook

Gas based power plants are still ranked high on the merit order on account of their relatively lower input costs and higher efficiencies. Furthermore, EPQL is consistently receiving dispatch request from NTDC on capacities made available on gas which is expected to continue in the future.

As mentioned earlier, the GoP has not been able to eliminate circular debt in the energy sector. We believe that in the absence of any concrete measures to address its root causes, circular debt will remain a challenge for the industry going forward.

Subsequent to year end December 2018, the Company has outsourced its Operational and Maintenance activities to Engro Energy Services Limited (EESL). EESL was incorporated in 2018 with the primary objective of providing operations and maintenance services to power plants. It's current portfolio includes Thar coal and renewable energy projects. The benefit from technical expertise of the operator and lower cost compared to self-operations is expected to help in value addition for shareholders.

Going forward the Company will take active steps to secure alternate fuel in an effort to ensure uninterrupted power supply to the national grid for the benefit of all stakeholders.

Key Shareholding & Shares Traded

As at December 31, 2018 major shareholder of the Company is Engro Energy Limited, formerly Engro Powergen Ltd. A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework and the statement of purchase and sale of shares by Directors and their spouses and minor children is shown later in this report.

Auditors

The existing auditors, Messrs A.F. Ferguson & Co, Chartered Accountants retire and being eligible, have offered themselves for re-appointment. The Board Audit Committee recommends their appointment as auditors for the year ending December 31, 2019.

Dividend

During the year, the Company announced one interim dividend of PKR 1.50 per share on August 8, 2018. This constituted the final dividend for the year.

Retirement Benefit Funds

The Company maintains plans that provide post-employment and retirement benefits for its employees. These include defined contribution (DC) gratuity fund and DC provident fund. The Engro Corporation gratuity funds and Engro Corporation provident fund are managed by the ultimate parent company, Engro Corporation Limited for its own employees and those of its subsidiaries including Engro Powergen Qadirpur Limited.

The above-mentioned funds are recognized by the tax authorities and are in compliance with Section 218 of the Companies Act 2017.

Retirement Fund	Engro Corporation Provident Fund[1] (Rs. in million)	Engro Corporation Gratuity Funds[1] (Rs. in million)
Net assets as per last audited financial statements	4,175	1,564
National Saving Schemes	846	445
Government Securities	829	669
Listed Securities	877	403
Balance with Banks	1,008	99
Others	615	(52)
Payables	-	-
Total	4,175	1,564

[1] Amounts include balances of other Engro subsidaries and is centrrally managed by Engro Corporation Ltd.

Composition of the Board of Directors and Board Committees

- The total number of directors are nine as per the following:
- Male: 8
- Female: 1

- The Composition of the Board of Directors is as follows:

Independent Director	Mr. Javed Akbar
Executive Director	Mr. Shahab Qader
Non-Executive Directors	Mr. Shamsuddin A. Shaikh Ms. Aliya Yusuf Mr. Hasnain Moochhala Mr. Mohsin Ali Mangi Mr. Shabbir Hashmi Ms. Shahid Hamid Pracha Mr. Vaqar Zakaria

- The Composition of the Board Audit Committee is as follows:

Director's Name
Mr. Javed Akbar
Ms. Aliya Yusuf
Mr. Shabbir Hashmi

- The Composition of the Board Compensation Committee is as follows:

Director's Name
Mr. Shamsuddin A. Shaikh
Mr. Javed Akbar
Mr. Vaqar Zakaria

Directors' Renumeration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and Chief Executive Officer in 2018, please refer notes to the Financial Statements.

Statement of Directors' Responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the SECP Code of Corporate Governance for the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures there from have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern
- There is no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Board Meetings and Attendance

In 2018, the Board of Directors held 6 meetings. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Shamsuddin A. Shaikh	4
Ms. Aliya Yusuf	6
Mr. Hasnain Moochhala	5
Mr. Javed Akbar	5
Mr. Mohsin Ali Mangi	4
Mr. Shabbir Hashmi	6
Mr. Shahab Qader	5
Mr. Shahid Hamid Pracha	6
Mr. Vaqar Zakaria	5

In 2018, the Board Audit Committee held 4 meetings. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Javed Akbar	2
Ms. Aliya Yusuf	4
Mr. Shabbir Hashmi	4

In 2018, the Board Compensation Committee held 1 meeting. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Shamsuddin A. Shaikh	1
Mr. Javed Akbar	1
Mr. Vaqar Zakaria	1

Hasnain Moochhala
Director

Shahab Qader
Chief Executive Officer

horizontal analysis

Statement of Financial Position

(Amounts in thousand)	2018 Rs.	18 Vs. 17 %	2017 Rs.	17 Vs. 16 %	2016 Rs.	16 Vs. 15 %	2015 Rs.	15 Vs. 14 %	2014 Rs.
EQUITY AND LIABILITIES									
EQUITY									
Share capital	3,238,000	-	3,238,000	-	3,238,000	-	3,238,000	-	3,238,000
Share premium	80,777	-	80,777	-	80,777	-	80,777	-	80,777
Maintenance reserve	227,182	-	227,182	-	227,182	-	227,182	-	227,182
Hedging reserve	14,199	(129)	(49,606)	(29)	(69,416)	18	(58,750)	17	(50,109)
Unappropraited profit	7,972,617	26	6,316,404	27	4,979,272	24	4,001,084	33	3,013,096
Remeasurement of retirement benefit obligation - actuarial (loss) / gain	-	-	-	(100)	(1,163)	(344)	477	28	373
Total equity	11,532,775	18	9,812,757	16	8,454,652	13	7,488,770	15	6,509,319
NON-CURRENT LIABILITY									
Borrowings	758,568	(73)	2,819,315	(39)	4,610,647	(28)	6,394,878	(17)	7,713,518
Trade and other payables	5,241,411	57	3,346,430	47	2,277,448	24	1,836,482	35	1,358,164
Unclaimed dividend	23,933	17	20,528	55	13,249	52	8,706	100	-
Accrued interest / mark up	53,892	74	30,942	25	24,708	(30)	35,165	30	27,149
Short term borrowings	3,758,495	17	3,208,672	10	2,919,000	37	2,136,842	9	1,961,029
Current portion of borrowings	2,804,531	37	2,051,918	14	1,792,353	9	1,650,776	13	1,459,451
Total current liabilities	11,882,262	37	8,658,490	23	7,026,758	24	5,667,971	18	4,805,793
TOTAL EQUITY AND LIABILITIES	24,173,605	14	21,290,562	6	20,092,057	3	19,551,619	3	19,028,630
ASSETS									
NON-CURRENT ASSETS									
Property, plant and equipment	13,664,179	4	13,169,212	(3)	13,524,720	(4)	14,078,859	(1)	14,217,020
Intangible assets	70,945	(8)	77,044	(5)	80,740	(3)	83,381	2	81,585
Long term loans and advances	100,057	155	39,243	-	39,412	14	34,674	23	28,214
Long term deposits	2,574	3	2,491	-	2,491	-	2,491	-	2,491
Total non-current assets	13,837,755	4	13,287,990	(3)	13,647,363	(4)	14,199,405	(1)	14,329,310
CURRENT ASSETS									
Inventories	895,149	2	881,182	5	843,008	2	826,259	7	769,886
Trade debts	7,601,705	36	5,571,570	43	3,896,828	41	2,760,311	26	2,192,805
Short term Investment	50,004	-	50,000	-	50,000	-	50,000	(11)	56,000
Loans, advances, deposits, prepayments and other receivables	1,712,100	20	1,427,680	(8)	1,552,910	(6)	1,646,424	1	1,628,013
Taxes recoverable	64,152	(1)	64,731	4	62,325	13	55,067	10	49,915
Balances with banks	12,740	72	7,409	(81)	39,623	180	14,153	424	2,701
Total current assets	10,335,850	29	8,002,572	24	6,444,694	20	5,352,214	14	4,699,320
TOTAL ASSETS	24,173,605	14	21,290,562	6	20,092,057	3	19,551,619	3	19,028,630

vertical analysis

Statement of Financial Position

(Amounts in thousand)	2018		2017		2016		2015		2014	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
EQUITY AND LIABILITIES										
EQUITY										
Share capital	3,238,000	13	3,238,000	15	3,238,000	16	3,238,000	17	3,238,000	17
Share premium	80,777	-	80,777	-	80,777	-	80,777	-	80,777	-
Maintenance reserve	227,182	1	227,182	1	227,182	1	227,182	1	227,182	1
Hedging reserve	14,199	-	(49,606)	-	(69,416)	-	(58,750)	-	(50,109)	-
Unappropraited profit	7,972,617	33	6,316,404	30	4,979,272	25	4,001,084	20	3,013,096	16
Remeasurement of retirement benefit obligation - actuarial (loss) / gain	-	-	-	-	(1,163)	-	477	-	373	-
	11,532,775	48	9,812,757	46	8,454,652	42	7,488,770	38	6,509,319	34
NON-CURRENT LIABILITY										
Borrowings	758,568	3	2,819,315	13	4,610,647	23	6,394,878	33	7,713,518	41
CURRENT LIABILITIES										
Trade and other payables	5,241,411	22	3,346,430	16	2,277,448	11	1,836,482	9	1,358,164	7
Unclaimed dividend	23,933	-	20,528	-	13,249	-	8,706	-	-	-
Accrued interest / mark up	53,892	-	30,942	-	24,708	-	35,165	-	27,149	-
Short term borrowings	3,758,495	16	3,208,672	15	2,919,000	15	2,136,842	11	1,961,029	10
Current portion of borrowings	2,804,531	12	2,051,918	10	1,792,353	9	1,650,776	8	1,459,451	8
	11,882,262	49	8,658,490	41	7,026,758	35	5,667,971	29	4,805,793	25
TOTAL EQUITY AND LIABILITIES	24,173,605	100	21,290,562	100	20,092,057	100	19,551,619	100	19,028,630	100
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	13,664,179	57	13,169,212	62	13,524,720	67	14,078,859	72	14,217,020	75
Intangible assets	70,945	-	77,044	-	80,740	-	83,381	-	81,585	-
Long term loans and advances	100,057	-	39,243	-	39,412	-	34,674	-	28,214	-
Long term deposits	2,574	-	2,491	-	2,491	-	2,491	-	2,491	-
Total non-current assets	13,837,755	57	13,287,990	62	13,647,363	68	14,199,405	73	14,329,310	75
CURRENT ASSETS										
Inventories	895,149	4	881,182	5	843,008	4	826,259	4	769,886	4
Trade debts	7,601,705	31	5,571,570	26	3,896,828	19	2,760,311	14	2,192,805	12
Short term Investment	50,004	-	50,000	-	50,000	-	50,000	-	56,000	-
Loans, advances, deposits, prepayments and other receivables	1,712,100	7	1,427,680	7	1,552,910	8	1,646,424	8	1,628,013	9
Taxes recoverable	64,152	-	64,731	-	62,325	-	55,067	-	49,915	-
Balances with banks	12,740	-	7,409	-	39,623	-	14,153	-	2,701	-
Total current assets	10,335,850	43	8,002,572	38	6,444,694	32	5,352,214	27	4,699,320	25
TOTAL ASSETS	24,173,605	100	21,290,562	100	20,092,057	100	19,551,619	100	19,028,630	100

horizontal and vertical analyses

Statement of Profit or Loss

(Amounts in thousand)	2018 Rs.	18 Vs. 17 %	2017 Rs.	17 Vs. 16 %	2016 Rs.	16 Vs. 15 %	2015 Rs.	15 Vs. 14 %	2014 Rs.
Horizontal Analysis									
Sales	11,874,365	2	11,589,512	1	11,451,782	(14)	13,353,543	11	12,041,151
Cost of Sales	(8,864,263)	-	(8,877,874)	(4)	(9,209,292)	(15)	(10,888,779)	17	(9,338,838)
Gross profit	3,010,102	11	2,711,638	21	2,242,490	(9)	2,464,764	(9)	2,702,313
Administrative expenses	(182,350)	15	(158,674)	(16)	(188,016)	3	(181,686)	8	(168,289)
Other expenses	(4,856)	72	(2,825)	(26)	(3,802)	(92)	(50,377)	(42)	(87,541)
Other income	1,785	(98)	110,224	12	98,761	1,301	7,050	(95)	153,695
Profit from operations	2,824,681	6	2,660,363	24	2,149,433	(4)	2,239,751	(14)	2,600,178
Finance cost	(196,005)	(27)	(269,221)	(25)	(361,088)	(18)	(441,492)	(24)	(579,295)
Profit before taxation	2,628,676	10	2,391,142	34	1,788,345	(1)	1,798,259	(11)	2,020,883
Taxation	(1,063)	114	(497)	(24)	(657)	(15)	(771)	1,144	(62)
Profit for the year	2,627,613	10	2,390,645	34	1,787,688	(1)	1,797,488	(11)	2,020,821

	2018		2017		2016		2015		2014	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Vertical Analysis										
Sales	11,874,365	100	11,589,512	100	11,451,782	100	13,353,543	100	12,041,151	100
Cost of Sales	(8,864,263)	(75)	(8,877,874)	(77)	(9,209,292)	(80)	(10,888,779)	(82)	(9,338,838)	(78)
Gross profit	3,010,102	25	2,711,638	23	2,242,490	20	2,464,764	18	2,702,313	22
Administrative expenses	(182,350)	(2)	(158,674)	(1)	(188,016)	(2)	(181,686)	(1)	(168,289)	(1)
Other expenses	(4,856)	-	(2,825)	-	(3,802)	-	(50,377)	-	(87,541)	(1)
Other income	1,785	-	110,224	1	98,761	1	7,050	-	153,695	1
Profit from operations	2,824,681	24	2,660,363	23	2,149,433	19	2,239,751	17	2,600,178	22
Finance cost	(196,005)	(2)	(269,221)	(2)	(361,088)	(3)	(441,492)	(3)	(579,295)	(5)
Profit before taxation	2,628,676	22	2,391,142	21	1,788,345	16	1,798,259	13	2,020,883	17
Taxation	(1,063)	-	(497)	-	(657)	-	(771)	-	(62)	-
Profit for the year	2,627,613	22	2,390,645	21	1,787,688	16	1,797,488	13	2,020,821	17

summary

(Amounts in thousand)	2018	2017	2016	2015	2014	2013
Summary of Financial Position						
Share capital	3,238,000	3,238,000	3,238,000	3,238,000	3,238,000	3,238,000
Maintenance Reserve	227,182	227,182	227,182	227,182	227,182	227,182
Shareholders' funds / Equity	11,532,775	9,812,757	8,454,652	7,488,770	6,509,319	5,523,309
Long term borrowings	3,563,099	4,871,233	6,403,000	8,045,654	9,172,969	10,992,086
Capital employed	15,095,874	14,683,990	14,857,652	15,534,424	15,682,288	16,515,395
Property, plant & equipment	13,664,179	13,169,212	13,524,720	14,078,859	14,217,020	15,233,998
Long term assets	13,837,755	13,287,990	13,647,363	14,199,405	14,329,310	15,334,397
Net current assets (liabilities) / Working capital	1,258,119	1,396,000	1,210,289	1,335,019	1,352,978	1,177,998
Summary of Profit or Loss						
Sales	11,874,365	11,589,512	11,451,782	13,353,543	12,041,151	8,665,433
Gross profit	3,010,102	2,711,638	2,242,490	2,464,764	2,702,313	1,651,725
Profit from operations	2,824,681	2,660,363	2,149,433	2,239,751	2,600,178	1,934,165
Profit before taxation	2,628,676	2,391,142	1,788,345	1,798,259	2,020,883	1,458,477
Profit for the year	2,627,613	2,390,645	1,787,688	1,797,488	2,020,821	1,458,344
Summary of Cash Flows						
Net cash flow from operating activities	3,376,823	3,051,685	2,311,283	2,861,624	1,849,382	6,335,625
Net cash flow from investing activities	(162,582)	(83,532)	(179,401)	(263,016)	(172,011)	(120,821)
Net cash flow from financing activities	(3,758,729)	(3,290,039)	(2,888,570)	(2,768,969)	(2,914,904)	(5,117,323)
Changes in cash & cash equivalents	(544,488)	(321,886)	(756,688)	(170,361)	(1,237,533)	1,097,481
Cash & cash equivalents at year end	(3,695,751)	(3,151,263)	(2,829,377)	(2,072,689)	(1,902,328)	(664,795)
Summary of Actual Production						
Maximum Generation Possible - Mwh	1,863,724	1,869,812	1,881,005	1,855,782	1,860,135	1,861,134
Declared Capacity Billable - Mwh	1,862,203	1,874,511	1,886,110	1,850,050	1,859,061	1,546,652
Net Electrical Output - Mwh	1,526,309	1,737,346	1,264,667	1,424,015	1,721,959	1,333,619

ratios of last six years

(Ratios)		2018	2017	2016	2015	2014	2013
Profitability Ratios:							
Gross profit margin	(%)	25%	23%	20%	18%	22%	19%
Net profit margin	(%)	22%	21%	16%	13%	17%	17%
Net income to equity ratio	(%)	23%	24%	21%	24%	31%	26%
Liquidity Ratios:							
Current ratio	(Times)	0.87	0.92	0.92	0.94	0.98	0.94
Quick / acid test ratio	(Times)	0.83	0.87	0.86	0.88	0.90	0.85
Activity / Turnover Ratios:							
Total assets turnover ratio	(Times)	0.49	0.54	0.57	0.68	0.63	0.46
Investment / Market Ratios:							
Earnings per share	(PKR)	8.11	7.38	5.52	5.55	6.24	4.50
Price earnings ratio	(Times)	3.51	4.47	6.33	6.16	6.59	N/A
Dividend payout ratio	(%)	18%	44%	54%	63%	49%	137%
Dividend cover ratio	(Times)	5.41	2.27	1.84	1.59	2.05	0.73
Market value per share at							
the end of the year and	(PKR)	28.5	33.02	34.95	34.18	41.15	N/A
high during the year	(PKR)	35.5	38.25	35.47	46.50	44.55	N/A
low during the year	(PKR)	28	30.55	28.55	34.00	38.21	N/A
Breakup value per share	(PKR)	35.62	30.30	26.11	23.13	20.10	17.06
Cash dividend	(PKR per share)	1.5	3.25	3.00	3.50	3.04	6.17
Capital Structure Ratios:							
Weighted average cost of debt	(%)	6%	5%	5%	4%	3%	4%
Debt to equity ratio	(Times)	0.31	0.50	0.76	1.07	1.41	1.99
Interest cover ratio	(Times)	10.61	9.83	7.24	7.19	7.64	4.70

statements of analysis

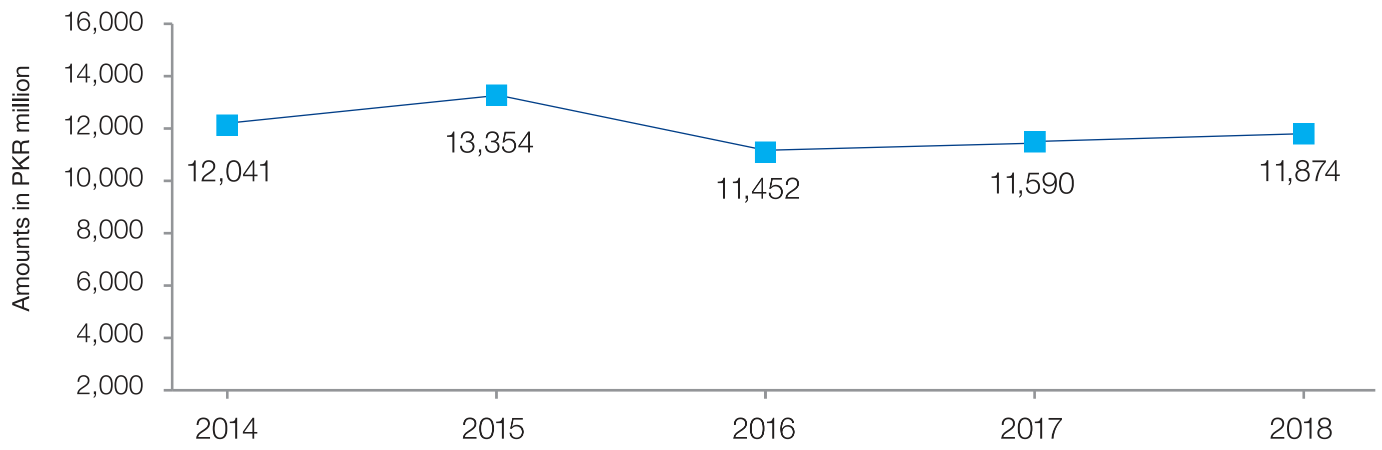
The gross profit margin of the Company this year has increased compared to 2017 on account of higher tariff indexation as a result of steep depreciation of the Rupee versus the US dollar this year.

Effective working capital management has helped us to maintain our liquidity ratios at a comfortable level despite a surge in circular debt buildup this year.

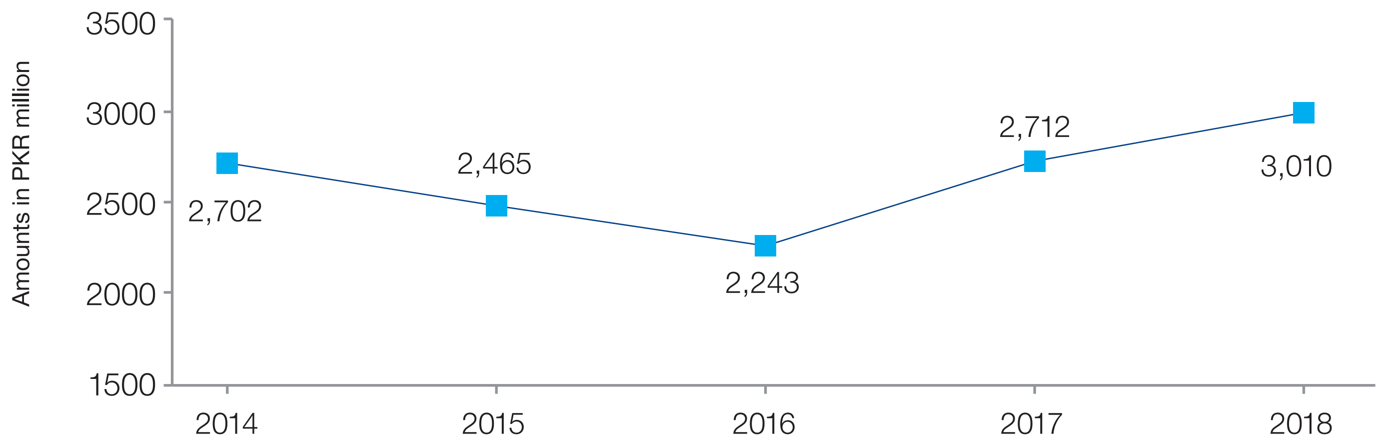
Strong Operational performance and effective working capital management have helped to improve the interest coverage ratio to around 11 for the year; demonstrating the Company's ability to fulfill its commitment towards its lenders.

snapshots

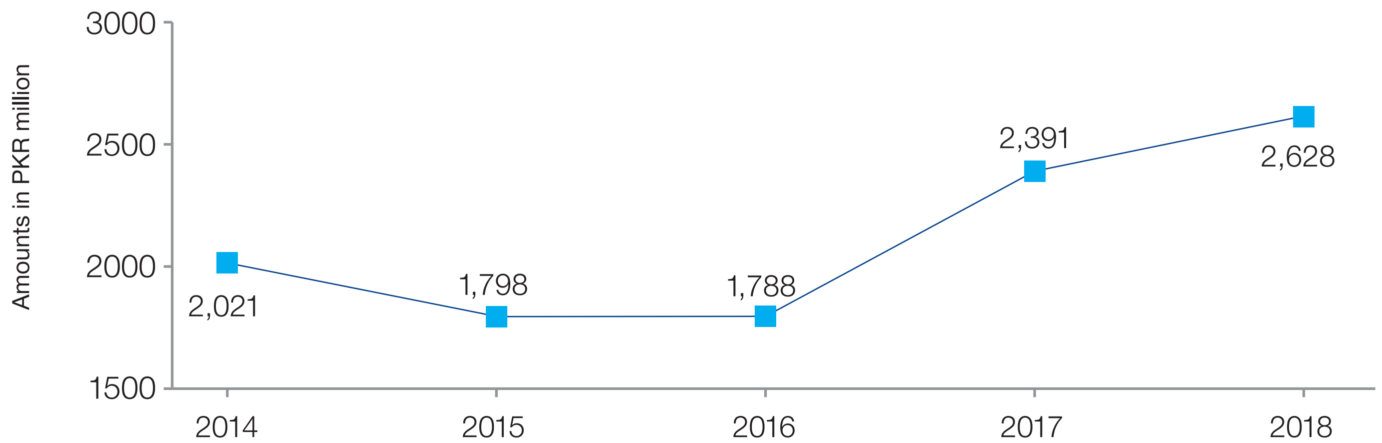
Sales Revenue



Gross Profit for the year



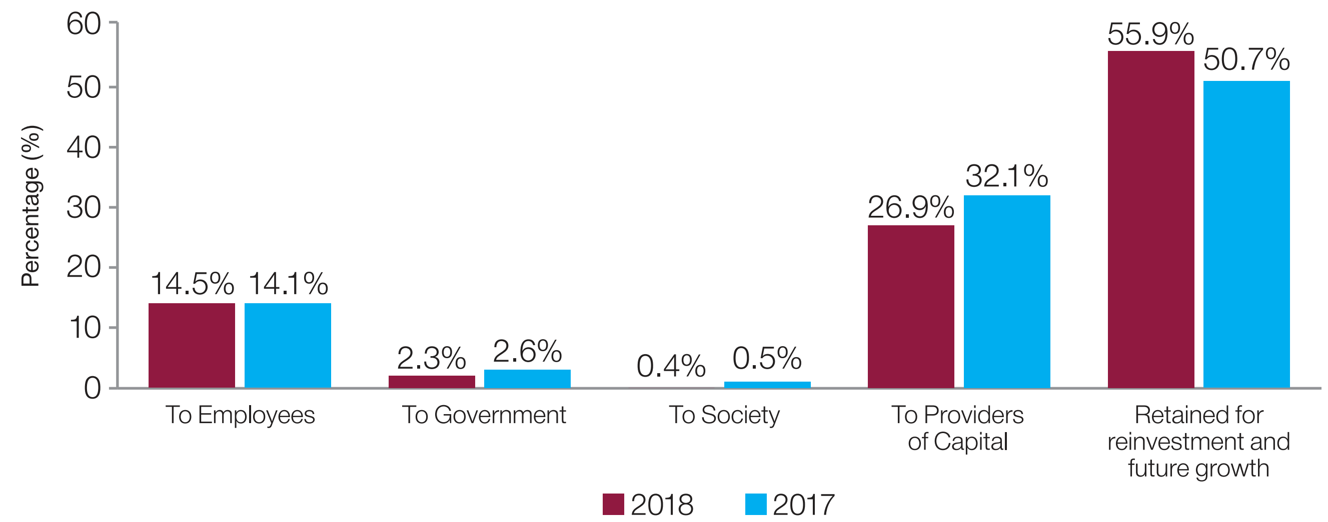
Profit After Tax for the Year



statement of value addition and distribution

(Amounts in thousand)	2018	2017
Wealth Generated		
Total revenue inclusive of sales tax and other income	13,208,363	13,057,463
Bought-in-raw material and services	(8,860,911)	(8,934,253)
	4,347,452	4,123,210
Wealth Distributed		
To Employees		
Salaries, benefits and other costs	629,450	582,755
To Government		
Income tax and sales tax	100,596	107,608
To Society		
Donation towards education, health, environment and natural disaster	18,408	21,464
To Providers of Capital		
Dividend to shareholders	971,400	1,052,350
Mark-up/interest expense on borrowed money	196,005	269,221
	1,167,405	1,321,571
Retained for reinvestment and future growth		
Depreciation, amortization and retained profit (net of dividend paid)	2,431,593	2,089,812
	4,347,452	4,123,210

Statement of Value Addition 2018 vs. 2017



engaging stakeholders

EPQL understands the importance of stakeholder engagement and recognizes that there is no better way to ensure that our Company remains a responsible corporate citizen having a positive impact on all our stakeholders. We engage with our stakeholders both formally and informally, periodically and regularly.

EPQL's stakeholders include:

Investors, lenders and shareholders

Investors and shareholders are engaged through our Annual General Meeting as well as our Corporate Reports (quarterly, half yearly & annual reports), which include comprehensive information on both financial and non-financial matters related to the Company. Further, analyst briefings are conducted on quarterly basis, while disclosures to the stock exchange on strategic events are made as and when required.

Customers

Our primary customer is National Transmission and Despatch Company (NTDC). We are in continuous contact and dialogue with our customer through regular meetings and correspondences on business issues.

Suppliers

Our suppliers are engaged through periodic formal and informal meetings/conferences. We regularly provide them with technical assistance related to their business, to benefit both the industry and the economy in which we operate.

Host communities (local to our facilities and throughout Pakistan)

We consider ourselves responsible for our host communities and hold regular interaction in order to understand how we can improve our relationship. The Company is extremely active in health, education, livelihood and environmental projects for the betterment of these communities.

Employees

We concentrate on employee engagement as it is key to performance. A survey is carried out at regular intervals to assess the levels of engagement and motivation at the workplace and based on feedback, areas of weaknesses are improved and strengths held stable.

Government

Moving beyond regulatory compliances, we continue to engage with the government and regulators in public policy lobbying and policy reforms at local, provincial and federal level. EPQL's management frequently engages with government officials on various matters including energy crisis, alternative power, local community development and infrastructure related issues.

Regulators

The Company complies with regulatory requirements and in this regard maintains close coordination with relevant regulators including the National Electric Power Regulatory Authority (NEPRA), stock exchange, tax authorities, and Securities and Exchange Commission of Pakistan (SECP).

Media

We engage with the print and visual media through regular press releases on key achievements and disclosures. Throughout the year the Company schedules regular media interactions via briefings on quarter and year-end results; through Plant visits; and through informal conversations throughout the year on the Company's news and updates.

certifications

Green Office Certification

The EPQL Site has been certified by WWF as a Green Office. Three (3) indicators were audited for the said purpose; paper reduction, energy conservation and waste reduction, which were all found to be satisfactory by WWF.

DuPont Certification

DuPont's Process Safety system has been acknowledged as one of the top safety management systems worldwide. EPQL Plant site achieved a DuPont rating if 3.58 making it the only Engro subsidiary to achieve the certification within 2.5 years of commencement of commercial operations.

5-S Certification

EPQL has been awarded the 5-S Certification for Warehouse Management by National Productivity Organization (NPO), Ministry of Industries, Government of Pakistan.

ISO-14001 & OHSAS-18001

The Company conforms to the standards of ISO-14001 and OHSAS-18001. Surveillance audits are regularly carried out to ensure that the Company remains in conformity with the above certifications.

energy for sustainability

Shareholder Information

Darbar Mehal
Bahawalpur, Punjab

notice of the meeting

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting of the Company will be held at Karachi Marriott Hotel, Abdullah Haroon Road, Karachi on Monday, March 25, 2019 at 10:00 a.m. to transact the following business:

A. Ordinary Business:

(1) To receive and consider the Audited Accounts for the year ended 31st December 2018 and the Directors' and Auditors' Reports thereon.

(2) To appoint Auditors and fix their remuneration.

By Order of the Board

February 1, 2019
Karachi.

MEHREEN IBRAHIM
Company Secretary

N.B

(1) The Share Transfer Books of the Company will remain closed from Monday, March 18, 2019 to Monday, March 25, 2019 (both days inclusive). Transfers received in order at the office of our Registrar, Messrs. FAMCO ASSOCIATES (PRIVATE) LIMITED, 8-F, near Hotel Faran, Nursery, Block 6, PECHS, Shahrah-e-Faisal, Karachi PABX Nos (+9221) 34380101-5 and email info.shares@famco.com.pk by the close of business (5:00 p.m.) on Friday, March 15, 2019 will be treated as being in time for the purpose to attend and vote at this Meeting.

(2) A member entitled to attend and vote at this Meeting shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member. Proxies, in order to be effective must be received by the Company not less than 48 hours before the Meeting. A proxy need not be a member of the Company.

(3) Pursuant to SECP Circular No 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least seven (7) days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility please provide the following information to the Company's Shares Registrar:

I/We,__________ of _______ being a member of Engro Powergen Qadirpur Limited holder of Ordinary Share(s) as per Register Folio No./CDC ____________ hereby opt for video conference facility at ___________

____
Signature of member

(4) Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of sections 143 and 144 of the Companies Act 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

By Order of the Board

Karachi,
February 01, 2019

MEHREEN IBRAHIM
Company Secretary

key shareholding & shares traded

Information of shareholding required under the reporting framework is as follows:

1. Associated Companies, Undertakings and Related Parties

Shareholder's category	No. of Shares Held
Engro Energy Limited (formerly Engro Powergen Limited).	223,049,992

2. Mutual Funds

Shareholder's category	No. of Shares Held
-	-

3. Directors, Chief Executive Officer and their spouse(s) and minor children

Shareholder's category	No. of shares Held
Mr. Hasnain Moochhala	1
Mr. Shabbir Hashmi	1
Mr. Vaqar Zakaria	1
Ms. Aliya Yusuf	2001
Mr. Javed Akbar	1
Mr. Shahid Hamid Pracha	1
Mr. Shamsuddin Ahmed Shaikh	501
Mr. Mohsin Ali Mangi	1
Mr. Shahab Qader Khan	0
Total :	2508

4. Executives — 2500

5. Public sector companies and corporations — -

6. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds — 5,341,500

7. Shareholders holding five percent or more voting rights in the Company

Shareholder's category	No. of Shares Held
Engro Energy Limited (formerly Engro Powergen Limited).	223,049,992

8. Details of purchase/sale of shares by Directors, Executives* and their spouse(s) / minor children during 2018.

Name	Date of Purchase / Sale	Shares Purchased	Shares Sold	Rate
Abdul Sattar	3/30/2018	Sold	2000	33.26

* For the purpose of declaration of share trades all employee of the company are considers as "Executives"

Categories of shareholding

As at December 31, 2018

Shareholders' Category	No. of Shareholders	No. of Shares	Percentage of Holding
Directors, Chief Executive Officer, and their spouse(s) and minor children.	8	2508	0
Associated companies, undertakings and related parties.	1	223,049,992	68.89
Banks, Development Financial Institutions, Non Banking Financial Institutions.	3	5,341,500	1.65
Insurance Companies	-	-	-
Modarabas and mutual funds	-	-	-
Share holders holding 10% or more shares	1	223,049,992	68.89
General Public (individuals)			
a. Local	18,477	71,296,328	22.02
b. Foreign	-	-	-
Others	103	24,109,672	7.44
Total (excluding : share holders holding 10%)	18,592	323,800,000	100

pattern of shareholding

As at December 31, 2018

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
350	1	100	14,853
11,217	101	500	5,530,150
3,602	501	1,000	3,578,041
2,217	1,001	5,000	5,613,169
480	5,001	10,000	3,830,083
166	10,001	15,000	2,159,221
106	15,001	20,000	1,970,885
74	20,001	25,000	1,744,447
42	25,001	30,000	1,193,969
32	30,001	35,000	1,058,500
28	35,001	40,000	1,079,112
18	40,001	45,000	778,500
47	45,001	50,000	2,322,000
16	50,001	55,000	842,000
14	55,001	60,000	822,000
10	60,001	65,000	632,000
3	65,001	70,000	209,500
7	70,001	75,000	516,500
8	75,001	80,000	626,000
6	80,001	85,000	498,747
5	85,001	90,000	434,500
3	90,001	95,000	281,000
24	95,001	100,000	2,393,500
7	105,000	110,000	756,000
3	110,001	115,000	340,500
4	115,001	120,000	476,000
3	120,001	125,000	370,500
4	125,001	130,000	518,000
2	130,001	135,000	261,500
1	135,001	140,000	136,000
3	140,001	145,000	427,500
5	145,001	150,000	746,500
4	150,001	155,000	616,000
4	160,000	165,000	648,000
4	165,001	170,000	674,500
3	170,001	175,000	519,000
2	180,001	185,000	365,500
1	190,001	195,000	193,500
8	195,001	200,000	1,596,500
2	200,001	205,000	402,000
1	205,001	210,000	207,000
1	215,001	220,000	219,000
1	225,001	230,000	228,500

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	230,001	235,000	233,500
1	240,001	245,000	243,679
3	250,000	255,000	750,000
1	260,001	265,000	263,000
1	290,001	295,000	290,500
2	300,000	305,000	600,000
2	310,000	315,000	622,000
2	315,001	320,000	637,500
1	345,000	350,000	345,000
1	350,001	355,000	351,000
2	370,001	375,000	745,500
2	400,000	405,000	803,500
1	435,001	440,000	438,000
2	445,001	450,000	896,500
1	480,000	485,000	480,000
1	485,001	490,000	486,500
5	500,000	505,000	2,500,000
1	510,001	515,000	512,000
1	525,001	530,000	528,000
1	550,001	555,000	551,552
1	615,001	620,000	617,000
1	630,001	635,000	632,000
1	715,001	720,000	716,000
1	750,001	755,000	752,000
1	785,001	790,000	786,000
1	1,000,000	1,005,000	1,000,000
1	1,155,001	1,160,000	1,157,000
1	1,190,001	1,195,000	1,193,500
2	1,265,001	1,270,000	2,536,100
1	1,470,001	1,475,000	1,473,500
1	1,655,001	1,660,000	1,659,100
1	1,665,001	1,670,000	1,669,500
1	1,725,000	1,730,000	1,725,000
1	2,010,001	2,015,000	2,012,500
1	2,175,000	2,180,000	2,175,000
1	2,600,000	2,605,000	2,600,000
1	3,425,000	3,430,000	3,425,000
1	3,645,001	3,650,000	3,646,400
1	4,965,001	4,970,000	4,966,000
1	5,900,000	5,905,000	5,900,000
1	223,045,001	223,050,000	223,049,992
18,592			323,800,000

shareholder information

Annual General Meeting

The annual shareholders meeting will be held at 10:00 a.m. on March 25, 2019 at Karachi Marriott Hotel, Abdullah Haroon Road, Karachi.

Shareholders as of March 18, 2019 are encouraged to participate and vote.

Any shareholder may appoint a proxy to vote on his or her behalf. Proxies should be filed with the company at least 48 hours before the meeting time.

CDC Shareholders or their Proxies are requested to bring with them copies of their Computerized National Identity Card or passport alongwith the Participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

Ownership

On December 31, 2018 there were 18,592 shareholders on record of the Company's ordinary shares.

Circulation of Annual Audited Accounts through CD/DVD/USB

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 470(I)/2016 dated May 21, 2016 and in continuation with the SRO.787(1)/2014 dated 8th September, 2014, and approved by the Shareholders in the Extraordinary General Meeting of the Company held on October 14, 2016, the Company is circulating its annual balance sheet, and profit and loss account, auditor's report and directors report etc. ("Annual Audited Accounts") to its members through CD/DVD/USB at their registered addresses, save for those who opt for a hardcopy of the Annual Audited Accounts. The standard request form for electronic transmission is available at the Company's website www.engroenergy.com.

Alternatively members can fill up the Standard Request Form respectively in the Annexures section at the end of the report.

E-dividend Mandate (Mandatory)

In accordance with the provisions of Section 242 of the Companies Act, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In compliance with the said law, in order to receive your future dividends directly in your Bank account, you are required to provide the information mentioned on the Form placed on the Company's website and send the same to your brokers/the Central Depository Company Ltd. if the shares are held in the electronic form or to the Company's Shares Registrar if the shares are held in paper certificate form.

Quarterly Results

The Company issues quarterly financial statements. The planned dates for release of the quarterly results in 2019 are:

- 1st quarter: April 17, 2019
- 2nd quarter: August 02, 2019
- 3rd quarter: October 16, 2019

The Company holds quarterly briefings with Security Analysts to discuss the results and the business environment. These sessions are planned to be held on:

- 1st quarter : April 17, 2019
- 2nd quarter: August 02, 2019
- 3rd quarter: October 16, 2019

All annual/quarterly reports and presentations from quarterly briefings are regularly posted at the Company's website: www.engroenergy.com.

The Company reserves the right to change any of the above dates.

Change of Address

All registered shareholders should send information on changes of address to:

M/s. FAMCO Associates (Private) Limited
8-F, Near Hotel Faran Nursery,
Block-6 P.E.C.H.S. Shahra-e-Faisal, Karachi-74000
Telephone +92(21)34380101-5
Fax +92(21)34380106

epql calendar 2019

	Dates
EPQL Board Audit Committee Meeting	31-Jan-19
EPQL Board Meeting	1-Feb-19
EPQL Annual General Meeting	25-Mar-19
EPQL Board Audit Committee Meeting	16-Apr-19
EPQL Board Meeting	17-Apr-19
EPQL Board Audit Committee Meeting	1-Aug-19
EPQL Board Meeting	2-Aug-19
EPQL Extra Ordinary General Meeting	14-Oct-19
EPQL Board Audit Committee Meeting	15-Oct-19
EPQL Board Meeting	16-Oct-19
EPQL Board Meeting	22-Nov-19

energy for prosperity

Financial Statements

Noor Mehal
Bahawalpur, Punjab

independent auditor's review report to the members on the statement of compliance contained in listed companies (code of corporate governance) regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Engro Powergen Qadirpur Limited for the year ended December 31, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal controls covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2018.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in paragraph 18 where this is stated in the Statement of Compliance:

S. No.	Description
1	The Chairman of the Board Compensation Committee is not an independent director.

Chartered Accountants
Karachi
Date: February 22, 2019

Engagement Partner: Osama Kapadia

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independent auditor's report to the members on the audit of the financial statements

Opinion

We have audited the annexed financial statements of Engro Powergen Qadirpur Limited (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2018 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
1	**Application of Fourth Schedule to the Companies Act, 2017** (Refer note 3.1 to the financial statements) The Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of annual financial statements. As part of transition to the requirements, management performed an analysis to identify differences between the previous and the current Fourth Schedules and as a result certain amendments relating to presentation and disclosures were made in the financial statements. In view of the various additional disclosures prepared and presented in the financial statements, we consideredthis a key audit matter.	We reviewed and understood the requirements of the Fourth Schedule to the Companies Act, 2017. Our audit procedures included the following: Considered management's process to identify the additional disclosures required in the Company's financial statements; Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for sufficient audit evidence; and Verified on test basis supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Osama Kapadia.

Chartered Accountants
Karachi
Date: February 22, 2019

Engagement Partner: Osama Kapadia

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statement of financial position as at december 31, 2018

(Amounts in thousand)	Note	2018	2017
		----------------(Rupees)----------------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	13,664,179	13,169,212
Intangible assets	6	70,945	77,044
Long term loans and advances	8	100,057	39,243
Long term deposits		2,574	2,491
		13,837,755	13,287,990
Current assets			
Inventories	9	895,149	881,182
Trade debts	10	7,601,705	5,571,570
Short term investment	11	50,004	50,000
Loans, advances, deposits, prepayments and other receivables	12	1,712,100	1,427,680
Taxes recoverable		64,152	64,731
Balances with banks	13	12,740	7,409
		10,335,850	8,002,572
TOTAL ASSETS		24,173,605	21,290,562

Unser Owais
Chief Financial Officer

Shahab Qader
Chief Executive Officer

Hasnain Moochhala
Director

(Amounts in thousand)	Note	2018	2017
		----------------(Rupees)----------------	
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve	15	227,182	227,182
Hedging reserve	16	14,199	(49,606)
Unappropriated profit		7,972,617	6,316,404
Total equity		11,532,775	9,812,757
LIABILITIES			
Non-current liability			
Borrowings	17	758,568	2,819,315
Current liabilities			
Trade and other payables	18	5,241,411	3,346,430
Unclaimed dividend		23,933	20,528
Accrued interest / mark-up		53,892	30,942
Short term borrowings	19	3,758,495	3,208,672
Current portion of long term borrowings	17	2,804,531	2,051,918
		11,882,262	8,658,490
Total liabilities		12,640,830	11,477,805
Contingencies and Commitments	20		
TOTAL EQUITY AND LIABILITIES		24,173,605	21,290,562

The annexed notes from 1 to 40 form an integral part of these financial statements.

Unser Owais
Chief Financial Officer

Shahab Qader
Chief Executive Officer

Hasnain Moochhala
Director

statement of profit or loss
for the year ended december 31, 2018

(Amounts in thousand except for earnings per share)	Note	2018	2017
		----------------(Rupees)----------------	
Sales	21	11,874,365	11,589,512
Cost of sales	22	(8,864,263)	(8,877,874)
Gross profit		3,010,102	2,711,638
Administrative expenses	23	(182,350)	(158,674)
Other expenses	24	(4,856)	(2,825)
Other income	25	1,785	110,224
Profit from operations		2,824,681	2,660,363
Finance cost	26	(196,005)	(269,221)
Workers' profits participation fund and Workers' welfare fund	27	-	-
Profit before taxation		2,628,676	2,391,142
Taxation	28	(1,063)	(497)
Profit for the year		2,627,613	2,390,645
Earnings per share - basic and diluted	29	8.11	7.38

The annexed notes from 1 to 40 form an integral part of these financial statements.

Unser Owais	Shahab Qader	Hasnain Moochhala
Chief Financial Officer	Chief Executive Officer	Director

statement of profit or loss and other comprehensive income
for the year ended december 31, 2018

(Amounts in thousand)	Note	2018	2017
		----------------(Rupees)----------------	
Profit for the year		2,627,613	2,390,645
Other comprehensive income / (loss):			
Item that may be reclassified subsequently to profit or loss:			
Hedging reserve - Gain for the year	16	64,679	16,985
Less: Reclassified to profit or loss	24 & 25	(874)	2,825
		63,805	19,810
Total comprehensive income for the year		2,691,418	2,410,455

The annexed notes from 1 to 40 form an integral part of these financial statements.

Unser Owais	Shahab Qader	Hasnain Moochhala
Chief Financial Officer	Chief Executive Officer	Director

statement of changes in equity
for the year ended december 31, 2018

(Amounts in thousand)

		Reserves					
		Capital		Revenue			
	Share capital	Share premium	Maintenance reserve (note 15)	Unappropriated profit	Hedging reserve	Remeasurement of retirement benefit obligation - Actuarial gain/(loss)	Total
Balance as at January 1, 2017	3,238,000	80,777	227,182	4,979,272	(69,416)	(1,163)	8,454,652
Total comprehensive income for the year	-	-	-	2,390,645	19,810	-	2,410,455
Transfer of actuarial loss on previous retirement benefit plan	-	-	-	(1,163)	-	1,163	-
Transactions with owners							
Final dividend for the year ended December 31, 2016 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
1st interim dividend @ Rs. 1.75 per share	-	-	-	(566,650)	-	-	(566,650)
	-	-	-	(1,052,350)	-	-	(1,052,350)
Balance as at December 31, 2017	3,238,000	80,777	227,182	6,316,404	(49,606)	-	9,812,757
Total comprehensive income for the year	-	-	-	2,627,613	63,805	-	2,691,418
Transactions with owners							
Final dividend for the year ended December 31, 2017 @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
1st interim dividend @ Rs. 1.50 per share	-	-	-	(485,700)	-	-	(485,700)
	-	-	-	(971,400)	-	-	(971,400)
Balance as at December 31, 2018	3,238,000	80,777	227,182	7,972,617	14,199	-	11,532,775

The annexed notes from 1 to 40 form an integral part of these financial statements.

Unser Owais
Chief Financial Officer

Shahab Qader
Chief Executive Officer

Hasnain Moochhala
Director

statement of cashflows
for the year ended december 31, 2018

(Amounts in thousand)

	Note	2018	2017
		----------------(Rupees)----------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	31	3,438,204	3,054,419
Taxes paid		(484)	(2,903)
Long term loans, advances and deposits - net		(60,897)	169
Net cash generated from operating activities		3,376,823	3,051,685
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(158,849)	(78,482)
Purchase of intangible assets		(3,733)	(6,160)
Sale proceeds from disposal of property, plant and equipment		-	1,110
Net cash utilised in investing activities		(162,582)	(83,532)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long term borrowing		(2,422,778)	(1,849,834)
Derivative settled - net		64,679	16,985
Finance cost paid		(432,635)	(412,119)
Dividends paid		(967,995)	(1,045,071)
Net cash utilised in financing activities		(3,758,729)	(3,290,039)
Net decrease in cash and cash equivalents		(544,488)	(321,886)
Cash and cash equivalents at beginning of the year		(3,151,263)	(2,829,377)
Cash and cash equivalents at end of the year	32	(3,695,751)	(3,151,263)

The annexed notes from 1 to 40 form an integral part of these financial statements.

Unser Owais
Chief Financial Officer

Shahab Qader
Chief Executive Officer

Hasnain Moochhala
Director

notes to the financial statements for the year ended december 31, 2018

(Amounts in thousand)

1. **LEGAL STATUS AND OPERATIONS**

1.1 Engro Powergen Qadirpur Limited (the Company), is a public listed company, incorporated in Pakistan, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of Engro Energy Limited, which is a wholly owned subsidiary of Engro Corporation Limited. Engro Corporation Limited is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company).

1.2 The Company was established with the primary objective to undertake the business of power generation and sale. The Company owns a 217.3 MW combined cycle power plant and commenced commercial operations therefrom on March 27, 2010. The electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007. This PPA is for a period of 25 years.

1.3 The business units of the Company include the following:

Business Unit	Geographical Location
Head office (registered office)	16th floor, Harbour Front Building, Plot Number HC-3, Marine Drive, Block 4, Scheme No. 5, Clifton, Karachi.
Power plant	Deh Belo Sanghari, Ghotki, Sindh

2. **SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS**

Following is the summary of significant transactions and events that have affected the Company's financial position and performance during the year:

2.1 During the year, the Company has entered into mixed mode regime as envisioned under Implementation Agreement (IA) due to depletion of gas field and reduction in quantity of gas supplied by Sui Northern Gas Pipeline Limited (SNGPL). Under the regime, Capacity Purchase Payments (CPP) are secured for any shortfall in supply of gas by making the plant available on HSD.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

3.1.1 These financial statements have been prepared under the historical cost convention as modified by remeasurement of certain financial assets and financial liabilities, including derivative financial instruments, at fair value.

3.1.2 These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

(Amounts in thousand)

3.1.3 The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.1.4 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments to published standards and interpretations that became effective during the year

The following new interpretation to the accounting and reporting standards as applicable in Pakistan is effective for the first time for the year ended December 31, 2018:

"IFRIC 22 'Foreign currency transactions and advance consideration':

This interpretations clarifies the determination of the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt. The impact of the above amendment is not considered material on the financial statements of the Company."

In addition to the forgoing, the Companies Act, 2017 which is effective on these financial statements has added certain disclosures which have been included. The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on January 1, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

b) Standards, amendments to published standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards are not effective for the financial year beginning on January 1, 2018 and have not been early adopted by the Company:

"IFRS 9 'Financial instruments' (effective for annual periods beginning on or after July 1, 2018):

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. The Company is yet to assess the full impact of the standard."

IFRS 15 ‘Revenue from contracts with customers’ (effective for annual periods beginning on or after July 1, 2018):

This standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 ‘Revenue’ and IAS 11 ‘Construction contracts’ and related interpretations. The Company is yet to assess the full impact of the standard.

IFRS 16 'Leases' (effective for accounting periods beginning on or after January 1, 2019):

This standard requires lessees to recognise a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. The Company is yet to assess the full impact of the standard.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

3.2 Property, plant and equipment

Except for freehold land, capital work-in-progress and capital spares, all assets are stated at cost less accumulated depreciation and impairment, if any. Freehold land and capital spares are stated at cost. Capital work-in-progress is stated at cost less impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs. Self constructed assets include the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling and removing the items and restoring of the site on which they are located and exchange losses as referred to in note 7. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Major components of an item of property, plant and equipment having different useful lives are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss.

Disposal of assets is recognised when significant risk and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposals or retirement of an asset are recognised in profit or loss.

Depreciation is charged to profit or loss using the straight line method whereby the cost of an operating asset less its estimated residual value is written-off over its estimated useful life at rates given in note 5.1. Depreciation on additions is charged from the month following the month in which the asset is available for use and on disposals upto the month the asset was in use.

Assets residual values and useful lives are reviewed, and adjusted, if appropriate, at each reporting date.

3.3 Intangible assets

a) Computer software
Costs associated with maintaining computer software programmes are recognised as an expense in profit or loss when incurred. Costs directly attributable to identifiable software having probable economic benefits exceeding one year, are recognised as intangible assets. Direct costs include purchase costs (license fee) and related overheads.

Expenditure which enhances or extends the performance of the software programme beyond its original specification and useful life is capitalised.

Software costs and license fees capitalised as intangible assets are amortised to profit or loss from the date of use on a straight-line basis over a period of 4 years.

b) Right to use infrastructure facilities
Costs representing the right to use various infrastructure facilities are stated at historical cost. These costs are amortised to profit or loss over a period of 25 years.

3.4 Impairment of non-financial assets

Property, plant and equipment's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in profit or loss for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.5 Financial assets

3.5.1 Classification
The Company classifies its financial assets in the following categories: at fair value through profit or loss, held-to-maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) At fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's loans and receivable comprise trade debts, loans, deposits, other receivables and cash and cash equivalents in the statement of financial position.

c) Held-to-maturity
Held-to-maturity financial assets are non derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity. Company's short term investments are classified under this category.

d) Available-for-sale
Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose it off within 12 months of the end of the reporting date. There were no 'available-for-sale' financial assets at the reporting date.

3.5.2 Recognition and measurement

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed to profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are subsequently carried at amortised cost.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are recognised in profit or loss.

Gains and losses except impairment losses and foreign exchange gain and losses arising from changes in fair value of assets classified as available-for-sale are recognised in other comprehensive income until the financial asset is derecognised. When securities classified as available-for-sale are sold, the accumulated gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

Income on available-for-sale assets calculated using the effective interest method is recognised in profit or loss. Dividends on available for sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for assets carried at amortised cost, the loss is recognised in profit or loss. For available-for-sale financial assets, the cumulative loss is reclassified from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

3.6 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument at their fair value and in the case of a financial liability carried at fair value through profit or loss, the transaction cost incurred thereagainst is also charged to profit or loss. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method except financial liabilities at fair value through profit or loss which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

3.7 Offsetting of financial assets and liabilities

A financial asset and a financial liability are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.8 Derivative financial instruments

Derivatives, except a derivative that is a financial guarantee contract or a designated and effective hedging instrument, are classified as a financial asset or liability measured at fair value through profit or loss. Derivative financial instruments are initially recognised at fair value on the date derivative contract is entered into and subsequently re-measured at their fair value. Derivatives are carried as assets where fair value is positive and as liabilities where fair value is negative.

Fair value of derivatives embedded in financial instruments or non-derivative host contracts are separated from the host contract if the risks and economic characteristics of the embedded derivative are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

If the fair value of an embedded derivative that is required to be separated cannot be reliably measured, the entire combined contract is measured at fair value through profit or loss.

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss together with any changes in the fair value of the hedged asset or liability.

Changes in fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income to the extent that the hedge is effective. The gain or loss relating to the ineffective portion is recognised in profit or loss on an on going basis. The Company assesses whether each derivative continues to be highly effective in offsetting changes in cash flows of hedged items. If and when a derivative is no longer expected to be highly effective, cash flow hedge accounting is discontinued. Amount recognised in other comprehensive income in relation to cash flow hedge on borrowing repayments is reclassified to profit or loss account when the exchange (gain) / loss capitalised in property, plant and equipment affects the profit or loss account.

However, for the reasons explained in note 7, derivatives embedded in the Power Purchase Agreement (PPA), have not been separated from the host contract and accordingly have not been recognised in these financial statements.

3.9 Inventories

These are valued at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For stores and spares which are slow moving and / or identified as surplus to the Company's requirements, adequate provision is made for any excess book value over estimated residual value.

The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if any.

3.10 Trade debts

Trade debts are initially measured at fair value and subsequently at amortised cost using the effective interest rate method less provision for impairment. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written-off.

3.11 Cash and cash equivalents

Cash and cash equivalent in the statement of cash flows includes cash in hand and in transit, balances with banks on current, deposit and saving accounts, other short term highly liquid investments with original maturities of three months or less and short term borrowings other than term finance.

(Amounts in thousand)

3.12 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is amortised over the period of the borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.14 Trade and other payables

These are recognised initially at fair value and subsequently measured at amortised cost. Exchange gains and losses arising in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

3.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.16 Taxation

The Company's profits and gains from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company is also exempt from minimum tax on turnover under clause 11 A of part IV of the Second Schedule to the Income Tax Ordinance, 2001. However, the Company's income from other sources is subject to taxation.

3.17 Retirement and other service benefits obligations

3.17.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

The intermediary Holding Company - Engro Corporation Limited, of the Company operates a defined contribution provident fund and a defined contribution gratuity fund in which the permanent employees of the Company are members. Monthly contributions are made both by the Company and employees to the funds at the rate of 10% of basic salary in case of provident fund and at the rate of 5.33% and 3% of basic salary in case of gratuity fund.

(Amounts in thousand)

3.17.2 Defined benefit plans

A defined benefit plan is a post-employment benefit plan, which the Company has an obligation to provide the agreed benefits to its entitled employees. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the projected unit credit method.

The Company operated a defined benefit gratuity fund for its management and non-management employees till 2016. However, during the prior year the fund had been curtailed and the members of this fund have opted to become the members of the defined contribution gratuity fund being maintained by the Engro Corporation Limited.

3.17.3 Compensated absences

The Company accounts for compensated absences on the basis of unavailed leave balance of each employee at the end of the reporting period.

3.18 Foreign currency transactions and translation

These financial statements are presented in Pakistan Rupees, which is Company's functional currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates are recognised in profit or loss, except as referred to in note 3.21 and note 7.

3.19 Revenue recognition on supply of electricity

Revenue from the sale of electricity to National Transmission and Despatch Company (NTDC), the sole customer of the Company, is recorded on the following basis:

- Capacity revenue is recognised based on the capacity made available to NTDC; and
- Energy revenue is recognised based on the Net Electrical Output (NEO) delivered to NTDC.

Capacity and Energy revenue is recognised based on the rates determined under the mechanism laid down in the PPA.

3.20 Interest on bank deposits and delayed payment income

Interest income on bank deposits and delayed payment income on overdue trade receivables is recognised on accrual basis.

3.21 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

(Amounts in thousand)

3.22 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.23 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of:

4.1 Property, plant and equipment and intangible assets

The Company reviews appropriateness of the rate of depreciation / amortisation, useful life and residual value used in the calculation of depreciation / amortisation on an annual basis. Further, if any indication exists, the Company makes an estimate of recoverable amount of assets for possible impairment.

5 PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	(Rupees)	
Operating assets, at net book value (note 5.1)	13,322,804	12,849,716
Capital work-in-progress (note 5.2)	34,601	15,420
Capital spares (note 5.3)	306,774	304,076
	13,664,179	13,169,212

(Amounts in thousand)

5.1 Operating assets

	Freehold land	Plant & machinery	Buildings & civil works	Furniture, fixtures and equipments	Vehicles	Total
	Rupees					
As at January 1, 2017						
Cost	83,127	14,737,750	2,495,513	121,239	101,364	17,538,993
Accumulated depreciation	-	(3,580,109)	(505,640)	(80,205)	(81,832)	(4,247,786)
Net book value	83,127	11,157,641	1,989,873	41,034	19,532	13,291,207
Year ended December 31, 2017						
Opening net book value	83,127	11,157,641	1,989,873	41,034	19,532	13,291,207
Additions to operating assets:						
- Transfers from capital work-in-progress (note 5.2)	-	50,264	19,754	21,005	-	91,023
- Transfers to capital spares	-	(98,524)	-	-	-	(98,524)
- Capitalisation adjustment for exchange loss (note 7)	-	309,944	-	-	-	309,944
Disposals (Note 5.1.1)						
Cost	-	-	-	-	(2,033)	(2,033)
Accumulated depreciation	-	-	-	-	923	923
	-	-	-	-	(1,110)	(1,110)
Depreciation charge (note 5.1.2)	-	(642,647)	(77,056)	(14,580)	(8,541)	(742,824)
Closing Net book value	83,127	10,776,678	1,932,571	47,459	9,881	12,849,716
As at January 1, 2018						
Cost	83,127	14,999,434	2,515,267	142,244	99,331	17,839,403
Accumulated depreciation	-	(4,222,756)	(582,696)	(94,785)	(89,450)	(4,989,687)
Net book value	83,127	10,776,678	1,932,571	47,459	(89,450)	12,849,716
Year ended December 31, 2018						
Opening net book value	83,127	10,776,678	1,932,571	47,459	9,881	12,849,716
Additions to operating assets:						
- Transfers from capital work-in-progress (note 5.2)	26,938	27,758	63,010	19,264	-	136,970
- Capitalisation adjustment for exchange loss (note 7)	-	1,106,522	-	-	-	1,106,522
Disposals (note 5.1.1)						
Cost	-	-	-	(5,612)	-	(5,612)
Accumulated depreciation	-	-	-	756	-	756
	-	-	-	(4,856)	-	(4,856)
Depreciation charge (note 5.1.2)	-	(671,144)	(77,317)	(16,635)	(452)	(765,548)
Closing Net book value	110,065	11,239,814	1,918,264	45,232	9,429	13,322,804
As at December 31, 2018						
Cost	110,065	16,133,714	2,578,277	155,896	99,331	19,077,283
Accumulated depreciation	-	(4,893,900)	(660,013)	(110,664)	(89,902)	(5,754,479)
Net book value	110,065	11,239,814	1,918,264	45,232	9,429	13,322,804
Annual rate of depreciation		4% - 16%	2.5% - 8%	15% - 25%	19% - 23%	

(Amounts in thousand)

5.1.1 The details of assets disposed off during the year are as follows:

Sold to	Made of Disposal	Cost	Accumulated depreciation	Net book value	Sale proceeds / receivable
		---(Rupees)---			
Furniture, fixtures and equipments	Write off	5,612	756	4,856	-
2017		2,033	923	1,110	1,110

	2018	2017
	---(Rupees)---	
5.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (note 22)	764,517	741,695
Administrative expenses (note 23)	1,031	1,129
	765,548	742,824

5.1.3 The details of immovable fixed assets (i.e. land and buildings) are as follows:

Description of location	Address	Total area of land Acres
Power plant and associated buildings	Deh Belo Sanghari, Ghotki, Sindh	41.5
Colony land	Colony Road, Daharki, Ghotki, Sindh	16.4

(Amounts in thousand)

5.2 **Capital work-in-progress**

	Freehold land	Plant & machinery	Buildings & civil works	Furniture, fixtures and equipments	Intangible assets	Total
				Rupees		
Year ended December 31, 2017						
Balance as at January 1, 2017	-	30,471	-	6,723	8,319	45,513
Additions / reclassifications during the year	-	38,257	20,801	22,376	3,208	84,642
Transferred to intangible assets (note 6)	-	-	-	-	(6,160)	(6,160)
Transferred to capital spares (note 5.3)	-	(17,552)	-	-	-	(17,552)
Transferred to operating assets (note 5.1)	-	(50,264)	(19,754)	(21,005)	-	(91,023)
Balance as at December 31, 2017	-	912	1,047	8,094	5,367	15,420
Year ended December 31, 2018						
Balance as at January 1, 2018	-	912	1,047	8,094	5,367	15,420
Additions / reclassifications during the year	26,938	45,343	62,472	11,952	15,877	162, 582
Transferred to intangible assets (note 6)	-	-	-	-	(3,733)	(3,733)
Transferred to capital spares (note 5.3)	-	(2,698)	-	-	-	(2,698)
Transferred to operating assets (note 5.1)	(26,938)	(27,758)	(63,010)	(19,264)	-	(136,970)
Balance as at December 31, 2018	-	15,799	509	782	17,511	34,601

5.3 **Capital spares**

	2018	2017
	---(Rupees)---	
Balance at beginning of the year	304,076	188,000
Add / (less):		
- Transfers from operating assets (notes 5.1 and 5.3.1)	-	98,524
- Additions (note 5.2)	2,698	17,552
Balance at end of the year	306,774	304,076

5.3.1 This represents net book value of those spares which were replaced and transferred to capital spares.

6. **INTANGIBLE ASSETS**

	Computer software	Right to use infrastructure facilities (note 6.2)	Total
		Rupees	
As at January 1, 2017			
Cost	54,239	96,627	150,866
Accumulated amortisation	(41,058)	(29,068)	(70,126)
Net book value	13,181	67,559	80,740
Year ended December 31, 2017			
Opening net book value	13,181	67,559	80,740
Additions during the year (note 5.2)	6,160	-	6,160
Amortisation for the year (note 6.1)	(5,991)	(3,865)	(9,856)
Closing net book value	13,350	63,694	77,044
As at January 1, 2018			
Cost	60,399	96,627	157,026
Accumulated amortisation	(47,049)	(32,933)	(79,982)
Net book value	13,350	63,694	77,044
Year ended December 31, 2018			
Opening net book value	13,350	63,694	77,044
Additions during the year (note 5.2)	3,733	-	3,733
Amortisation for the year (note 6.1)	(5,967)	(3,865)	(9,832)
Closing net book value	11,116	59,829	70,945
As at December 31, 2018			
Cost	64,132	96,627	160,759
Accumulated amortisation	(53,016)	(36,798)	(89,814)
Net book value	11,116	59,829	70,945

	2018	2017
	(Rupees)	
6.1 Amortisation charge for the year has been allocated as follows:		
Cost of sales (note 22)	8,451	8,307
Administrative expenses (note 23)	1,381	1,549
	9,832	9,856

(Amounts in thousand)

6.2 Represents right to use Engro Fertilizers Limited's (an associated undertaking) various infrastructure facilities. This entitles the employees of the Company to full use of the Engro Fertilizers Limited's facilities. The amount paid by the Company is being amortised over 25 years.

7. **EMBEDDED DERIVATIVES**

The Company's tariff, like other power companies, comprises of various price components with indexations falling within the ambit of embedded derivatives. Such embedded derivative as per International Accounting Standard (IAS) 39, 'Financial Instrument: Recognition and Measurement' need to be separated from the host contract and accounted for as derivative if economic characteristics and risks of the embedded derivatives are not closely related to the host contract.

The Company, had sought clarification from the Institute of Chartered Accountants of Pakistan (ICAP) in respect of the indexations pertaining to (i) USD/PKR exchange rate (applicable to Company's price components of debt, return on equity, return on equity during construction); and (ii) US CPI & USD/PKR exchange rate (applicable to Company's price components of fixed and variable operations and maintenance – foreign) whether these derivatives were closely or not closely related to the host contract.

In addition, the Company had also requested ICAP to prescribe a definite basis or guidelines for the valuation of such embedded derivatives considering the subjectivity involved therein if these were considered to be not closely related to the host contract. Further, as indexation of USD/PKR exchange rate related to debt component being not recognised separately as embedded derivative, the Company taking cognizance of the 'matching principle' requested the Securities and Exchange Commission of Pakistan (SECP) to allow deferment of recognising exchange loss on translation of borrowings under IAS 21 - Foreign Currency Transactions in the profit or loss till the clarification sought on the recognition of the foreign currency indexations from ICAP had been received.

On January 16, 2012, SECP vide SRO 24 (I) 2012 had granted waivers to all IPPs from the requirement of IFRIC 4 "Determining whether an arrangement contains a lease" and IFRIC 12 "Service Concession Agreements". Further, SECP through the aforementioned SRO has also allowed the IPPs to continue capitalising the exchange differences, and not to recognise embedded derivatives under IAS 39 where these are not closely related to the host contract. However, in the case of such derivatives, for periods beginning on or after January 1, 2013, the companies are required to give "Additional Disclosure" as if the accounting for embedded derivatives had been adopted in preparing the financial statements.

In view of the above SRO, the Company has capitalised exchange loss aggregating to Rs. 3,940,553 (2017: Rs. 2,834,031) as at December 31, 2018, which includes exchange loss of Rs. 1,106,522 pertaining to current year (2017: exchange loss of Rs. 309,944) in property, plant and equipment (note 5.1).

7.1 Additional disclosure under SRO 24 (1) 2012

If the Company were to follow IAS 39 and had accounted for embedded derivatives and had not capitalised the exchange loss on translation of foreign currency borrowing, the effect on the financial statements line items would have been as follows:

(Amounts in thousand)

	(Increase) / Decrease	Increase / (Decrease)	
	Unappropriated profit	Property, plant and equipment	Derivative financial asset/(liability)
		Rupees	
As at January 1, 2017	6,201,745	(2,018,058)	(4,183,687)
For the year ended December 31, 2017			
- Recognition of exchange loss (net of depreciation)	186,852	(186, 852)	-
- Change in fair value of derivatives	(1,909,138)	-	1,909,138
	(1,722,286)	(186,852)	1,909,138
As at December 31, 2017	4,479,459	(2,204,910)	(2,274,549)
For the year ended December 31, 2018			
- Recognition of exchange loss (net of depreciation)	921,957	(921,957)	-
- Change in fair value of derivatives	(6,000,982)	-	6,000,982
	(5,079,052)	(921,957)	6,000,982
As at December 31, 2018	(599,566)	(3,126,867)	3,726,433

8 LONG TERM LOANS AND ADVANCES

	2018	2017
	(Rupees)	
Executives (notes 8.1, 8.2 and 8.3)	141,110	54,708
Less: Current portion shown under current assets (note 12)	(41,053)	(15,465)
Balance as at end of the year	100,057	39,243

8.1 Reconciliation of the carrying amount of loans and advances

	2018	2017
Balance at beginning of the year	54,708	55,232
Add: Disbursements	122,217	16,315
Less: Repayments / Amortisation	(35,815)	(16,839)
Balance at end of the year	141,110	54,708

8.2 Loans and advances include interest free investment loan plan to executives amounting to Rs. 36,522 (2017: Rs. 38,673) repayable in equal monthly instalments over a three year period or in one lump sum at the end of such period. It also includes loans and advances amounting to Rs. 104,588 (2017: Rs. 16,035) for car earn out assistance, house rent, long term incentive and relocation assistance loans, as per Company policy. These loans and advances include Rs. 8,947 (2017: Rs. 3,312) to key management personnel, which are unsecured.

8.3 The maximum amount outstanding at the end of any month from key management personnel amounted to Rs. 9,993 (2017: Rs. 3,312).

(Amounts in thousand)

9. **INVENTORIES**

	2018	2017
	(Rupees)	
High Speed Diesel (note 9.1)	379,474	379,524
Consumable stores	53,277	53,484
Spares	462,398	448,174
	895,149	881,182

9.1 This comprises of High Speed Diesel (HSD) inventory required to be maintained for operating the power plant in case supply of gas is unavailable to the Company. As per clause (b) of section 5.14 of the Power Purchase Agreement (PPA), the Company is required to maintain HSD inventory at a level sufficient for operating the power plant at full load for seven days. However, due to non payment of dues in full by NTDC, the Company is maintaining HSD inventory at a level sufficient for operating the power plant at full load for around five days.

10. **TRADE DEBTS - secured**

	2018	2017
	(Rupees)	
Considered good	7,601,705	5,571,570

10.1 Trade debts, including delayed payment charges (note 12), are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

10.2 Trade debts include:

- Rs. 2,636,879 (2017: Rs. 2,104,915) which is neither past due nor impaired; and

- Rs. 4,964,826 (2017: Rs. 3,466,655) which is overdue but not impaired. The overdue receivables carry mark-up at the rate of KIBOR plus 4.5% per annum. The ageing of overdue receivables is as follows:

	2018	2017
	(Rupees)	
Upto 3 months	2,829,697	2,763,461
3 to 6 months	2,135,129	703,194
	4,964,826	3,466,655

11. **SHORT TERM INVESTMENT**
- Held to maturity

	2018	2017
Term Deposit Receipt (note 11.1)	-	50,000
Treasury Bills (note 11.1)	50,004	-
	50,004	50,000

11.1 Investments have been made in conventional Treasury Bills as compared to prior year where investments were made in the Term Deposit Receipts. The rate of mark-up on this investment is 10.28% (2017: 3.95%) per annum.

11.2 This investment has been made in respect of maintenance reserve (note 15).

12. LOANS, ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES - considered good

	2018	2017
	(Rupees)	
Current portion of long term loans and advances to executives		
- considered good (note 8)	41,053	15,465
Advances, deposits and other receivable	9,927	14,137
Prepayments	79,560	62,798
Delayed payment charges (notes 12.1 and 12.2)	1,353,411	909,376
Receivable from associated undertakings (note 12.3):		
- Engro Energy Limited	1,964	3,925
- Engro Fertilizers Limited	-	31
- Engro Powergen Thar (Private) Limited	793	1,985
- Engro Polymer & Chemicals Limited	-	59
- Engro Corporation Limited	-	773
- Sindh Engro Coal Mining Company Limited	4,566	4,519
	7,323	11,292
Reimbursable cost from NEPRA in respect of:		
- Workers' profits participation fund (note 12.4)	220,826	208,974
- Workers' welfare fund (note 18.4)	-	205,638
	1,712,100	1,427,680

12.1 This represents mark-up on overdue trade debts, as referred to in note 10.2, of which Rs. 1,078,469 (2017: Rs. 737,788) is overdue.

12.2 The aging of over due delayed payment charges is as follows:

	2018	2017
	(Rupees)	
Upto 3 months	114,984	31,993
3 to 6 months	86,162	41,577
More than 6 months	877,323	664,218
	1,078,469	737,788

12.3 These receivables are unsecured and interest free. The maximum amount outstanding at the end of any month from related parties aggregated to Rs. 31,945 (2017: Rs. 88,477). None of the receivables are past due or impaired.

12.4 This includes outstanding invoiced amount of Rs. 89,417 (2017: Rs. 89,417).

13. BALANCES WITH BANKS

	2018	2017
	(Rupees)	
Current accounts:		
- Local currency	2,357	917
Deposit accounts:		
- Foreign currency (note 13.1)	3,757	2,969
- Local currency (notes 13.2)	6,626	3,523
	12,740	7,409

(Amounts in thousand)

13.1 Foreign currency deposits carry return at the rate of 0.1% (2017: 0.5%) per annum.

13.2 Local currency deposits carry return at the rate of 8% (2017: 3.75%) per annum.

13.3 The Company maintains its bank balances under the conventional banking terms only.

14 SHARE CAPITAL

14.1 Authorised capital

2018	2017		2018	2017
(No. of Shares)			(Rupees)	
330,000,000	330,000,000	Ordinary shares of Rs. 10 each	3,300,000	3,300,000

14.2 Issued, subscribed and paid-up capital

2018	2017		2018	2017
(No. of Shares)			(Rupees)	
323,800,000	323,800,000	Ordinary shares of Rs. 10 each, fully paid in cash	3,238,000	3,238,000

14.2.1 As at December 31, 2018, Engro Energy Limited, the Holding Company, held 223,050,000 (2017: 223,050,000) ordinary shares of the Company.

14.2.2 These ordinary shares carry one vote per share and right to dividend.

15. MAINTENANCE RESERVE

In accordance with the Power Purchase Agreement (PPA), the Company is required to establish and maintain a separate reserve fund (the Fund) with a depository institution for payment of major maintenance expenses. Any interest income resulting from the depository arrangements of the Fund is to remain in the Fund to the extent of any short fall from the contractual limit.

Under the PPA, 1/24th of the annual operating and maintenance budget of the Power Plant less fuel expenses is required to be deposited into the Fund on each capacity payment date until such reserve equals to nine such deposits. After the second agreement year and thereafter the Fund may be re-established at such other level that the Company and NTDC mutually agree.

In 2012 the Company, due to uncertain cash flows resulting from delayed payments by NTDC has, as per flexibility available under the PPA, reduced the amount deposited in a schedule bank to Rs. 50,004, which has been invested in Treasury Bills as at December 31, 2018 (note 11). Till such time the amount is deposited again to the required level, the Company has unutilised short term financing available to meet any unexpected maintenance requirement that may arise in the foreseeable future.

(Amounts in thousand)

16. HEDGING RESERVE

During the year, the Company entered into exchange rate forward agreements with its bank for amounts aggregating to USD 8,900 (2017: USD 3,550) to manage exchange rate exposure on repayments of its long term borrowing (note 17) and has made a gain of Rs. 64,679 (2017: Rs. 16,985) on these covers. Under the aforementioned agreements the Company would pay respective rate agreed at the initiation of the respective agreement on settlement date.

17. BORROWINGS, secured

	2018	2017
	(Rupees)	
Long term borrowing	3,563,099	4,871,233
Less: Current portion shown under current liabilities	2,804,531	2,051,918
	758,568	2,819,315

17.1 The Company entered into a financing agreement with a consortium comprising of international financial institutions amounting to USD 144,000. The finance carries markup at the rate of six months LIBOR plus 3% payable semi-annually over a period of twelve years. The principal is repayable in twenty semi-annual instalments commencing from December 15, 2010. As at December 31, 2018, the outstanding balance of the borrowing was USD 25,722 (2017: USD 44,292).

The borrowing is secured by an equitable mortgage on the immovable property and the hypothecation of current and future assets of the Company, except receivables from NTDC in respect of Energy Purchase Price. Further, the Company has also extended a letter of credit in favour of the senior lenders, as referred to in note 20.

17.2 Following are the changes in the borrowings for which cash flows have been classified as financing activities in the Statement of cash flows:

	2018	2017
	(Rupees)	
Balance as at January 1	4,871,233	6,403,000
Amortisation of transaction cost	8,122	8,123
Repayments	(2,422,778)	(1,849,834)
Exchange loss / (gain)	1,106,522	309,944
Balance as at December 31	3,563,099	4,871,233

(Amounts in thousand)

18. TRADE AND OTHER PAYABLES

	2018	2017
	(Rupees)	
Creditors	3,665,443	1,724,553
Accrued liabilities (note 18.1)	1,107,007	1,070,090
Security deposits (note 18.2)	2,741	2,879
Payable to related parties:		
- Defined contribution funds maintained by Engro Corporation Limited	9,107	5,787
- Engro Corporation Limited	5,500	-
- Engro Vopak Terminal Limited	456	564
- Engro Polymer & Chemicals Limited	46	-
Provisions (note 18.5)	401,417	310,567
Sales tax payable	7,990	9,165
Withholding tax payable	5,295	3,875
Workers' profits participation fund (note 18.3)	36,409	13,312
Workers' welfare fund (note 18.4)	-	205,638
	5,241,411	3,346,430

18.1 Includes accrual in respect of gas charges amounting to Rs. 786,118 (2017: Rs. 678,215).

18.2 The amount is kept in a separate bank account and not utilised in business in accordance with the requirements of section 217 of the Companies Act, 2017.

18.3 Workers' profits participation fund

	2018	2017
	(Rupees)	
Payable at beginning of the year	13,312	24,417
Add: Allocation for the year (note 27)	131,409	119,557
	144,721	143,974
Less:		
- Interest (note 26.2)	184	327
- Payment made during the year	(108,496)	(130,989)
Payable at end of the year	36,409	13,312

18.4 Workers' welfare fund

	2018	2017
Payable / Receivable at beginning of the year	205,638	205,638
Add: Charge for the year (note 27)	-	-
Less: Reversal during the year	(205,638)	-
Payable / Receivable at end of the year	-	205,638

18.5 This represents provisions recognised on prudence basis in respect of certain claims raised against the Company.

(Amounts in thousand)

19. SHORT TERM BORROWINGS, secured

	2018	2017
	(Rupees)	
Running finance utilised under mark-up arrangements	3,758,495	3,208,672

The Company has Working Capital / Running Finance Facility Agreements with Allied Bank Limited, MCB Bank Limited, The Bank of Punjab, Soneri Bank Limited and Faysal Bank Limited. In addition, the Company also has a Term Loan Agreement with Pak Kuwait Investment Company for a period of one year, which has been extended upto April 2019.

The available facilities under these mark-up arrangements aggregate to Rs. 4,500,000 (2017: Rs. 4,400,000). The facilities carry mark-up at the rate of 3 - 6 month KIBOR plus 0.0% - 0.5% (2017: 3 month KIBOR plus 0.0% - 0.5%). The facilities are secured by (i) lien over Energy Purchase Price (EPP) account and charge over present and future receivables from the Power Purchaser in respect of EPP; and (ii) first charge over current assets of the Company and subordinated charge over present and future plant, machinery, equipment and other movable assets and immovable properties of the Company. The use of these facilities are restricted for payments of operations and maintenance cost of the power plant and payments to fuel suppliers against purchase of fuel.

20. CONTINGENCIES AND COMMITMENTS

	2018	2017
	(Rupees)	
Contingent liabilities - guarantees (note 20.1)	2,496,126	2,496,126
Commitments in respect of :		
- letter of credit in favour of Company's senior lenders (note 17.1)	1,115,804	886,386
- others	148,105	51,666
	1,263,909	938,052

20.1 Represents bank guarantee given to Sui Northern Gas Pipelines Limited (SNGPL) representing an amount equivalent to three months contractual quantities of gas in accordance with the terms of Gas Supply Agreement (GSA) between the Company and the SNGPL.

20.2 A Corporate Guarantee amounting to USD 10,000 has been issued by Engro Corporation Limited in favour of the Company's bank to secure the repayment of foreign currency loan installments to its senior lenders.

20.3 There are no material ongoing legal proceedings / litigation involving the Company as at reporting date.

21. SALES

	2018	2017
	(Rupees)	
Capacity purchase price	4,037,816	3,603,267
Energy purchase price	9,168,762	9,343,972
	13,206,578	12,947,239
Less: Sales tax (note 21.1)	1,332,213	1,357,727
	11,874,365	11,589,512

21.1 Sales tax of Rs. 1,332,213 (2017: Rs. 1,357,727) relates to energy purchase price.

(Amounts in thousand)

22. COST OF SALES

	2018	2017
	(Rupees)	
Gas and fuel oil consumed	7,039,278	7,198,726
Depreciation (note 5.1.2)	764,517	741,695
Amortisation (note 6.1)	8,451	8,307
Salaries, wages and staff welfare (note 22.1)	557,335	513,935
Insurance	213,447	174,588
Traveling	22,183	16,518
Repairs and maintenance	65,620	43,476
Purchased services (note 22.2)	14,367	31,634
Legal and professional services	26,270	14,090
Stores and spares consumed	38,591	34,277
Security	54,547	40,151
Communication and other office expenses	59,657	60,477
	8,864,263	8,877,874

22.1 Salaries, wages and staff welfare include Rs. 25,994 (2017: Rs. 27,505) in respect of staff retirement benefits.

22.2 This represents charges for services rendered by Engro Corporation Limited, Engro Fertilizers Limited and other associated undertakings, under respective service agreements.

23. ADMINISTRATIVE EXPENSES

	2018	2017
	(Rupees)	
Salaries, wages and staff welfare (note 23.1)	72,115	68,820
Legal and professional services	35,074	17,100
Purchased services (note 22.2)	19,735	19,263
Communication and other office expenses	27,452	21,804
Contributions for corporate social responsibility (note 23.2)	18,408	21,464
Depreciation (note 5.1.2)	1,031	1,129
Amortisation (note 6.1)	1,381	1,549
Traveling	3,868	4,189
Auditors' remuneration (note 23.3)	3,286	3,356
	182,350	158,674

23.1 Salaries, wages and staff welfare include Rs. 4,705 (2017: Rs. 8,560) in respect of staff retirement benefits.

23.2 This includes Rs. 10,650 (2017: Rs. 9,800) paid to Engro Foundation and Rs. 3,844 (2017: Rs.8,700) paid to Engro Corporation Limited for reimbursement of salaries of Engro Corporation Limited employees rendering services to Engro Foundation. Engro Foundation is an associated undertaking, of which the director of the Company Mr. Shamsuddin A. Shaikh, is a trustee.

(Amounts in thousand)

	2018	2017
	----------------(Rupees)----------------	
23.3 Auditors' remuneration		
Fee for:		
- annual statutory audit	580	525
- half yearly review	175	160
- other services	1,407	504
- taxation services	972	1,994
- review of compliance with the Code of Corporate Governance	45	40
- reimbursement of expenses	107	133
	3,286	3,356

24. OTHER EXPENSES

	2018	2017
Reclassification of hedge to profit or loss	-	2,825
Write-off of operating assets	4,856	-
	4,856	2,825

25. OTHER INCOME

	2018	2017
Financial assets:		
Exchange gain	761	159
Non financial assets:		
Reclassification of hedge to profit or loss	874	-
Liabilities written back	150	-
Insurance claim (note 25.1)	-	110,065
	1,785	110,224

25.1 Due to the NTDC's auto transformer incident at Guddu in 2016, the plant was on standby mode till the completion of repair work due to which the Company's Energy Purchase Payments (EPP) were affected. The Company had lodged a Business Interruption (BI) claim against this with the insurers. During the prior year, the insurers agreed to settle the BI loss suffered by the Company and, accordingly, the Company received Rs. 110,000 in this respect.

(Amounts in thousand)

26. FINANCE COST

	2018	2017
	----------------(Rupees)----------------	
Interest / markup on:		
- long term borrowing	266,282	270,754
- short term borrowings	189,303	147,599
Financial / bank charges (note 26.2)	281,121	138,395
	736,706	556,748
Less:		
Interest income on bank deposits	(3,665)	(1,656)
Delayed payment charges - overdue trade debts	(537,036)	(285,871)
	196,005	269,221

26.1 Interest / mark-up on borrowings is based on conventional banking terms.

26.2 Includes interest of 184 (2017: Rs. 327) on payments due to Workers' profits participation fund.

27. WORKERS' PROFITS PARTICIPATION FUND AND WORKERS' WELFARE FUND

	2018	2017
	----------------(Rupees)----------------	
Provision for :		
- Workers' profits participation fund (note 18.3)	131,409	119,557
- Workers' welfare fund (notes 18.4 and 27.2)	-	-
	131,409	119,557
Recoverable from CPPA	(131,409)	(119,557)
	-	-

27.1 The Company is required to pay 5% of its profit to the Workers' profits participation fund. However, such payment will not effect the Company's overall profitability as this is recoverable from Central Power Purchasing Agency Guarantee Limited (CPPA) as a pass through item under Schedule I Part IV of the Power Purchase Agreement (PPA).

27.2 The Honorable Supreme Court (HSC) through order dated November 10, 2016 annulled the amendments made in the Workers' Welfare Fund Ordinance, 1971 through Finance Acts of 2006 and 2008, and restored the original ordinance under which Workers' welfare fund is not applicable on the income of the Company. Further, in case of the Company, Sindh Workers' Welfare Fund Act, 2014 is applicable, under which exempt income, i.e. income from power supply operations is not subject to Workers' welfare fund. Accordingly, no provision for Worker welfare fund has been recognised from 2016 and onwards; and the provisions in respect of prior periods, made under the Federal Workers' Welfare Fund Ordinance, 1971 have been reversed during the current year.

(Amounts in thousand except for earnings per share)

28. **TAXATION - current**

	2018	2017
	----------------(Rupees)----------------	
For the year	1,063	497

28.1 Represents tax at the rate of 29% (2017: 30%) on bank profits as per the requirements of Income Tax Ordinance, 2001.

28.2 The tax provision for 2017, 2016 and 2015 recognised in these financial statements is Rs. 497, Rs. 657 and Rs. 771 respectively whereas the tax assessed for the last three tax years is Rs. 389, Rs. 515 and Rs. 680.

The Company computes tax provisions based on the generally accepted interpretations of tax laws to ensure that sufficient provision for the purpose of taxation is available.

29. **EARNINGS PER SHARE**

	2018	2017
	----------------(Rupees)----------------	
There is no dilutive effect on the basic earnings per share of the Company, which is based on:		
Profit for the year	2,627,613	2,390,645
	Number of shares	
Weighted average number of ordinary shares (in thousand)	323,800	323,800
	Rupees	
Earnings per share - basic and diluted	8.11	7.38

30. **CONTRIBUTORY RETIREMENT FUNDS**

30.1 The contributory provident, gratuity and pension funds are being maintained by Engro Corporation Limited which has made investments out of the funds in accordance with the provisions of section 218 of the Companies Act, 2017.

(Amounts in thousand)

31. **CASH GENERATED FROM OPERATIONS**

	2018	2017
	----------------(Rupees)----------------	
Profit before taxation	2,628,676	2,391,142
Adjustment for non-cash charges and other items:		
- Depreciation (note 5.1.2)	765,548	742,824
- Amortisation (note 6.1)	9,832	9,856
- Provisions	90,850	98,374
- Write-off of property, plant and equipment (note 24)	4,856	-
- Reclassification of hedge to profit and loss (note 24 and 25)	(874)	2,825
- Finance cost	463,707	426,476
Working capital changes (note 31.1)	(524,391)	(617,078)
	3,438,204	3,054,419

31.1 **Working capital changes**

	2018	2017
Decrease / (Increase) in current assets:		
Inventories	(13,967)	(38,174)
Trade debts	(2,030,135)	(1,674,742)
Loans, advances, deposits, prepayments and other receivables - net	(284,420)	125,230
	(2,328,522)	(1,587,686)
Increase in current liabilities:		
Trade and other payables	1,804,131	970,608
	(524,391)	(617,078)

32. **CASH AND CASH EQUIVALENTS**

	2018	2017
Balances with banks (note 13)	12,740	7,409
Short term investment (note 11)	50,004	50,000
Short term borrowings (note 19)	(3,758,495)	(3,208,672)
	(3,695,751)	(3,151,263)

(Amounts in thousand)

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

33.1 The aggregate amounts charged during the year in respect of remuneration, including all benefits, for the Chief Executive, Directors and Executives of the Company are as follows:

	2018			2017		
	Directors		Executives	Directors		Executives
	Chief Executive	Others		Chief Executive	Others	
	(Rupees)					
Managerial remuneration	17,117	-	228,796	11,016	-	254,429
Contribution for staff retirement benefits	1,785	-	22,644	1,291	-	24,988
Bonus	13,690	-	58,565	7,626	-	41,807
Other benefits	66	-	1,951	1,145	-	1,867
Fees	-	1,900	-	-	1,940	-
Total	32,658	1,900	311,956	21,078	1,940	323,091
Number of persons, including those who worked part of the year	1	7	51	2	8	53

· Comparative figures have been restated to reflect changes in the definition of Excutive as per Company Act, 2017.

33.2 The Company also provides Company owned vehicles and equipments for the use of Chief Executive and certain executives of the Company.

33.3 Premium charged in the financial statements in respect of directors' indemnity insurance policy, purchased by the Company during the year, amounted to Rs. 423 (2017: Rs. 445).

(Amounts in thousand)

34. FINANCIAL INSTRUMENTS BY CATEGORY

	2018	2017
	(Rupees)	
34.1 Financial assets as per statement of financial position		
- Held-to-maturity		
Short term investment	50,004	50,000
- Loans and receivables		
Long term deposits	2,574	2,491
Loans, deposits and other receivables	1,722,670	1,389,988
Trade debts	7,601,705	5,571,570
Balances with banks	12,740	7,409
	9,389,693	7,021,458
34.2 Financial liabilities as per statement of financial position		
- Financial liabilities measured at amortised cost		
Borrowings	7,321,594	8,079,905
Trade and other payables	4,790,300	2,803,873
Unclaimed dividend	23,933	20,528
Accrued interest / mark-up	53,892	30,942
	12,189,719	10,935,248

34.3 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

35.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimise earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's Finance and Planning department under policies approved by the Board of Directors.

a) Market risk

i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risks exists due to the Company's exposure resulting from outstanding import payments, foreign currency borrowings and related interest payments.

(Amounts in thousand)

The Company's exposure to currency risk is limited as the fluctuation in foreign exchange rates are recovered through adjustment in tariff as per the Power Purchase Agreement.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from borrowings. These are benchmarked to variable rates which expose the Company to interest rate risk. The Company's exposure to interest rate risk is limited as the unfavourable fluctuation in the interest rates of borrowings are recovered through adjustment in tariff as per the Power Purchase Agreement.

iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Company's exposure to other price risk is not significant as at December 31, 2018.

b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk arises from deposits with banks and financial institutions, trade debts, loans, advances, deposits, bank guarantees and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings or mutual funds which in turn are deposited in financial institutions with high credit ratings. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Company maintains an internal policy to place funds with commercial banks having a minimum short term credit rating of A1. The Company accepts bank guarantees of banks of reasonably high credit ratings as approved by the management. Trade debts are secured by a sovereign guarantee from the Government of Pakistan.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

	2018	2017
	----------------(Rupees)----------------	
Short term investment	50,004	50,000
Trade debts	2,636,879	2,104,915
Long term deposits	2,574	2,491
Loans, deposits and other receivables	644,201	652,200
Balances with banks	12,740	7,409
	3,346,398	2,817,015

(Amounts in thousand)

The carrying value of financial assets which are past due but not impaired are as follows:

	2018	2017
	----------------(Rupees)----------------	
Trade debts	4,964,826	3,466,655
Loans, deposits and other receivables	1,078,469	737,788
	6,043,295	4,204,443

The credit quality of receivables can be assessed with reference to their historical performance with defaults in recent history, however, no losses incurred. The credit quality of Company's bank balances and short term investments can be assessed with reference to external credit ratings as follows:

Name of bank / financial institutions	Rating agency	Rating	
		Short term	Long term
Allied Bank Limited	PACRA	A1+	AAA
Bank of Punjab	PACRA	A1+	AA
MCB Bank (formerly NIB Bank)	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Al Barakah Bank	PACRA	A1	A
Bank Al Falah	PACRA	A1+	AA+
National Bank of Pakistan	PACRA	A1+	AAA
Faysal Bank	PACRA	A1+	AA

c) Liquidity risk

Liquidity risk represents the risk that the Company will encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to dynamic nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The Company's liquidity management involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

All the financial liabilities of the Company except for long term portion of borrowings are payable in one year from the reporting date.

35.2 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for share holders and benefit for other stake holders and to maintain an optimal capital structure to reduce the cost of capital.

The regulatory regime in which the Company operates, renders the value of the equity to a bond given the guaranteed IRR of 15% with an indexation allowed under the Power Purchase Agreement for changes in USD / PKR exchange rate and US Consumer Price Index.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To manage its capital structure, the Company may issue shares or use dividend policy to influence the retention rate.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

	2018	2017
	(Rupees)	
The proportion of debt to equity at the year end was:		
Total borrowings (notes 17 and 19)	7,321,594	8,079,905
Less: Balances with banks (note 13)	12,740	7,409
Net debt	7,308,854	8,072,496
Total equity	11,532,775	9,812,757
Total capital	18,841,629	17,885,253
Gearing ratio	0.39	0.45

36. NUMBER OF EMPOLYEES.

	Number of employees		Average number of employees	
	2018	2017	2018	2017
Management employees	65	64	65	68
Non- management employees (Factory workers)	42	43	43	44
	107	107	108	112

37. CAPACITY AND PRODUCTION

	2018	2017
	(MWh)	
Maximum generation possible	1,863,724	1,869,812
Declared capacity billed	1,862,203	1,874,511
Net electrical output	1,526,309	1,737,346

37.1 Output produced by the plant is dependent on the load demanded by NTDC and the plant availability.

(Amounts in thousand)

38. TRANSACTIONS WITH RELATED PARTIES

38.1 The following are the names of associated companies, related parties and associated undertakings with whom the Company had entered into transactions or had agreements and/or arrangements in place during the year:

Name of Related parties	Direct Shareholding	Relationship
Engro Energy Limited	68.89%	Parent Company
Engro Corporation Limited	N/A	Commom directorship / intermediary holding company
Engro Fertilizers Limited	N/A	Common directorship
Engro Powergen Thar (Private) Limited	N/A	Common directorship
Engro Polymer & Chemicals Limited	N/A	Common directorship
Sindh Engro Coal Mining Company Limited	N/A	Common directorship
Engro Foundation	N/A	Common directorship
Retirement benefit funds:		
Engro Corporation Limited - Provident Fund	N/A	Post employment benefits
Engro Corporation Limited - MPT Employees Gratuity Fund	N/A	Post employment benefits
Engro Corporation Limited - MPT Employees Pension Fund	N/A	Post employment benefits
Shabab Qader	N/A	Chief Executive Officer
Shabbir Hashmi	N/A	Director
Aliya Yusuf	N/A	Director
Shahid Hamid Piracha	N/A	Director
Javed Akbar	N/A	Director
Vaqar Zakaria	N/A	Director
Kashif Ahmed Soomro	N/A	Key management personnel
Zia Haider	N/A	Key management personnel
Imran Aslam	N/A	Key management personnel
Waqar Ahmed Khan	N/A	Key management personnel

38.2 Related parties comprises of Dawood Hercules Corporation Limited, Engro Corporation Limited, Engro Energy Limited (formerly Engro Powergen Limited) and their associates. Related parties also include directors, retirement benefits funds and key management personnel. Details of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

(Amounts in thousand)

Nature of relationship	Nature of transactions	2018	2017
		----------------(Rupees)----------------	
Holding Company			
	Purchase of services	172,659	76,452
	Services rendered	17,963	178,105
	Contribution for Corporate Social Responsibility (CSR) activities	4,569	-
	Dividend paid	669,197	724,964
Associated companies			
	Purchase of services	55,302	81,141
	Services rendered	30,432	21,076
Key management personnel			
	Managerial remuneration, including bonus	41,391	62,681
	Contribution / Charge for retirement benefit schemes	3,434	5,798
Staff retirement benefits			
	Managed and operated by the Company		
	- Gratuity fund	-	2,492
	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	13,536	18,791
	- Provident fund	41,713	56,347
	- Pension fund	953	1,565

39. **CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified for better presentation, wherever considered necessary. Following major reclassification has been made during the year:

Description	Reclassified From	Reclassified To	Amount (Rupees)
Capital spares	Capital spares	Operating assets	629,163

40. **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on February 1, 2019 by the Board of Directors of the Company.

Unser Owais	Shahab Qader	Hasnain Moochhala
Chief Financial Officer	Chief Executive Officer	Director

annexures

glossary

BTU	British Thermal Unit	IPP	Independent Power Producer
CCG	Code of Corporate Governance	IRC	Indus Resource Center
CDC	Central Depository Company	ISE	Islamabad Stock Exchange
CEO	Chief Executive Officer	KSE	Karachi Stock Exchange
CFO	Chief Financial Officer	LWI	Lost Workday Injury
COD	Commercial Operations Date	MANCOM	Management Committee
COED	Committee for Organizational and Employee Development	MMCFD	Million Cubic Feet per Day
		MWh	Mega Watt hour
DAE	Diploma in Associated Engineering	NBFI	Non-Banking Finance Institutions
DB	Defined Benefit	NCCPL	National Clearing Company of Pakistan Limited
DC	Defined Contribution	NEO	Net Electrical Output
DFI	Development Finance Institutions	NEPRA	National Electric Power Regulatory Authority
DSC	Defence Saving Certificates	NTDC	National Transmission and Dispatch Company
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	OHIH	Occupational Health and Industrial Hygiene
		PEPCO	Pakistan Electric Power Company
ECL	Engro Corporation Limited	PIB	Pakistan Investment Bonds
EPA	Environmental Protection Agency	PICG	Pakistan Institute of Corporate Governance
EPL	Engro Powergen Limited	PPA	Power Purchase Agreement
EPQL	Engro Powergen Qadirpur Limited	PPAF	Pakistan Poverty Alleviation Fund
GIDC	Gas Infrastructure Development Cess	PPIB	Private Power Infrastructure Board
GSA	Gas Supply Agreement	RIC	Regular Income Certificates
GWh	Giga Watt hour	SECP	Securities & Exchange Commission
HRSG	Heat Recovery Steam Generator	SEPA	Sindh Environmental Protection Agency
HSD	High Speed Diesel	SNGPL	Sui Northern Gas Pipelines Limited
HSE	Health Safety & Environment	SSC	Special Saving Certificates
IA	Implementation Agreement	TFC	Term Finance Certificate
ICAP	Institute of Chartered Accountants of Pakistan	TRIR	Total Recordable Injury Rate
IFAC	International Federation of Accountants	TTC	Technical Training College
IFC	International Finance Corporation	WWF	Word Wide Fund for Nature
IPO	Initial Public Offering		

proxy form

I/We ______________________________

of ______________________________ being a member of ENGRO POWERGEN QADIRPUR LIMITED and holder of ______________________________
(Number of Shares)

Ordinary shares as per share Register Folio No. ____________________ and/or CDC Participant I.D. No. ____________ and Sub Account No. ____________ , hereby appoint ____________ of ____________

or failing him ____________ of ____________

as my/our proxy to vote for me and on my/our behalf at the annual general meeting of the Company to be held on the 25th day of March, 2019 and at any adjournment thereof.

Signed this ____________ day of ________ 2019.

WITNESSES:

1) Signature : ____________
Name : ____________
Address : ____________
____
CNIC or
Passport No : ____________

2) Signature : ____________
Name : ____________
Address : ____________
____
CNIC or
Passport No : ____________

____
Signature
Signature should agree with the specimen registered with the Company

Note:
Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy need not be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

standard request form
circulation of annual audited accounts.

The Share Registrar
Engro Powergen Qadirpur Ltd.
FAMCO Associates (Pvt.) Ltd.
8-F, Near Hotel Faran
Nursery, Block-6, P.E.C.H.S.,
Shahra-e-Faisal, KARACHI.
E-mail: info.shares@famco.com.pk
Telephone No. (9221) 3438 0101-5, 3438 4621-3

Date: ________________

Dear Sirs,
Subject: Request for Hard Copy of Annual Report of Engro Powergen Qadirpur Limited.

As notified by the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 470(I)/2016 dated May 21, 2016 and approved by the Shareholders in the Extraordinary General Meeting of the Company held on October 14, 2016, the Company is circulating its annual balance sheet, and profit and loss account, auditor's report and directors report etc. ("Annual Audited Accounts") to its members through CD/DVD/USB at their registered addresses, save for those who opt for a hardcopy of the Annual Audited Accounts by filling out the details below and sending it to the Company's share registrar and Company Secretary.

I, ______________________________ S/o, D/o, W/o ______________________ being a registered shareholder of Engro Powergen Qadirpur Ltd. with the particulars as mentioned below would request that my name be added to the list of Shareholders of the Company who opt for delivery of a hardcopy of the Annual Audited Accounts of the Company and hereby request you send to me the Annual Audited Accounts in hard copy form at my registered address as contained in the members register instead of providing the same through CD/DVD/USB.

Name of Shareholder	
Folio No. / CDC ID No.	
CNIC/NICOP/ Passport No.	
Land Line Telephone No. (if any)	
Cell No. (if any)	

Yours truly,

____
Signature of Shareholder

Copy to:
Company Secretary
Engro Powergen Qadirpur Ltd.
16th Floor, The Harbour Front, Dolmen City,
HC-3, Block 4, Clifton, Karachi-75600.
E-mail: skamil@engro.com

2018ء میں بورڈ آڈٹ کمیٹی نے چار اجلاس منعقد کئے جن میں ڈائریکٹران کی حاضری مندرجہ ذیل ہے:

ڈائریکٹرز کے نام	حاضری
جناب جاوید اکبر	2
محترمہ عالیہ یوسف	4
جناب شبیر ہاشمی	4

2018ء میں بورڈ معاوضہ کمیٹی نے ایک اجلاس منعقد کیا جس میں ڈائریکٹران کی حاضری مندرجہ ذیل ہے:

ڈائریکٹرز کے نام	حاضری
جناب شمس الدین شیخ	1
جناب جاوید اکبر	1
جناب وقار ذکریا	1

حسنین موچھالا
ڈائریکٹر

Shahab Qader
شہاب قادر
چیف ایگزیکٹو آفیسر

engro powergen qadirpur

پراکسی فارم

میں/ہم ____________________ کی طرف

سے ____________ بحیثیت اینگرو پاور جن قادر پور لمیٹڈ کے رکن، اور ____________ (حصص کی تعداد) عمومی حصص یافتہ جن کی مالیت فی حصص

رجسٹر فولیو نمبر ________ اور/یا سی ڈی سی participant آئی ڈی نمبر ____________ اور ذیلی اکاؤنٹ نمبر ____________ اپنی دانست میں

____________ کی طرف سے ____________ کو بطور پراکسی تعینات کرتا ہوں یا بطور پراکسی کی حیثیت ختم کر رہا/رہی ہوں تاکہ یہ میری طرف سے کمپنی

کے سالانہ عام اجلاس میں شرکت کریں اور ووٹ دیں جو بتاریخ 25 مارچ 2019ء کو منعقد کیا جائے گا۔

دستخط ____________ مورخہ/بتاریخ ______ / ______ 2019ء

گواہان:

۱۔ دستخط : ____________

نام : ____________

پتہ : ____________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر : ____________

پاسپورٹ نمبر : ____________

۲۔ دستخط : ____________

نام : ____________

پتہ : ____________

____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر : ____________

پاسپورٹ نمبر : ____________

____

دستخط شیئر ہولڈر

دستخط کمپنی میں کیئے جانے والے دستخط سے مماثلت رکھتے ہوں

نوٹ : پراکسیوں بھیجنے کی صورت میں پراکسی فارم کمپنی کو سالانہ عام اجلاس کے انعقاد سے 48 گھنٹے پہلے تک کمپنی کو موصول ہو جانے چاہیں۔ منتخب پراکسی کمپنی کا ممبر نہیں ہونا چاہیے۔

سی ڈی سی شیئر ہولڈرز اور ان کی نمائندہ پراکسی کو اپنی اصل قومی شناختی کارڈ کی یا پاسپورٹ کی منظور شدہ کاپی اس فارم کے ساتھ کمپنی کو بھیجنی ہے

بورڈاور بورڈارا کین کی تشکیل

ا۔کل ملا کر 9 بورڈ کے ڈائریکٹران ہیں جن کی معلومات مندرجہ ذیل ہے:

ا۔	مرد	8
اا۔	خواتین	1

۲۔بورڈارا کین کی تشکیل مندرجی ذیل ہے:

آزادڈائریکٹر	جناب جاوید اکبر
ایگزیکٹوڈائریکٹر	جناب شہاب قادر
غیر ایگزیکٹوڈائریکٹر	جناب شمس الدین شیخ محترمہ عالیہ یوسف جناب حسنین موچھالا جناب محسن علی منگی جناب شبیر ہاشمی جناب شاہد حامد پراچہ جناب وقار ذکریا

۳۔بورڈ آڈٹ کمیٹی کی تشکیل مندرجہ ذیل ہے:

جناب جاوید اکبر
محترمہ عالیہ یوسف
جناب شبیر ہاشمی

۴۔بورڈ معاوضہ کمیٹی کی تشکیل مندرجہ ذیل ہے:

جناب شمس الدین شیخ
جناب جاوید اکبر
جناب وقار ذکریا

ڈائریکٹران کے معاوضے

بورڈ اراکین کے معاوضوں کا تعین خود بورڈ کرتا ہے تاہم یہ کارپوریٹ گورننس کے ضابطوں کے مطابق ہوتے ہیں۔ یہ یقینی بنایا جاتا ہے کہ کوئی ڈائریکٹر اپنی مرضی سے معاوضے کا تعین نہ کرے۔ کمپنی غیر ایگزیکٹو ڈائریکٹران کو کسی قسم کا معاوضہ ادا نہیں کرتی ماسوائے میٹنگ میں حصہ لینے کی فیس کے۔ بہترین باصلاحیت افراد کو راغب کرنے کے لئے کمپنی کی معاوضہ پالیسیاں رائج کاروباری پریکٹسز اور صنعت میں رجحانات کے مطابق ہیں۔ 2018ء کے لئے ڈائریکٹران اور چیف ایگزیکٹو آفیسر کے معاوضے کے متعلق جاننے کے لئے برائے مہربانی مالیاتی کھاتے دیکھیں۔

ڈائریکٹر کی ذمہ داریوں کا اعلامیہ

ڈائریکٹرز درج ذیل ذمہ داریوں کے حوالے سے SECP کوڈ آف کارپوریٹ گورننس کے کارپوریٹ اینڈ فائنانشل رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں۔

ا۔ کمپنی کی انتظامیہ کی طرف سے تیار کئے جانے والے مالیاتی سٹیٹمنٹس منصفانہ طور پر کمپنی کے امور، آپریشنز کے نتائج، کیش فلوز اور ایکوئٹی میں تبدیلی بیان کرتے ہیں۔

۲۔ کمپنی کے اکاؤنٹس کی بکس کی معقول دیکھ بھال کی گئی ہیں۔

۳۔ مناسب اکاؤنٹنگ پالیسیوں کو مالی بیانات کی تیاری میں لاگو کیا گیا ہے اور اکاونٹنگ تخمینے معقول دانشمندانہ فیصلوں پر مبنی ہیں۔

۴۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جو پاکستان میں بھی لاگو ہیں، ان کی تمام فنانشل اسٹیٹمنٹس میں مکمل پیروی کی گئی ہے۔

۵۔ اندرونی کنٹرول کے نظام کا ڈیزائن بالکل ٹھیک ہے اور اسے مؤثر طریقے سے لاگو اور مانیٹر کیا گیا ہے۔

۶۔ کمپنی کے جاری رہنے کی صلاحیت پر کوئی قابل ذکر شکوک وشبہات نہیں ہیں۔

۷۔ لسٹنگ ریگولیشنز میں تفصیلی طور پر درج کارپوریٹ گورننس کے بہترین طریقوں میں سے کوئی میٹریل ڈیپارچر نہیں۔

بورڈ کے اجلاس اور حاضری

2018ء میں، بورڈ آف ڈائریکٹرز نے 06 ملاقاتیں کیں ڈائریکٹرز کی حاضریوں کے ریکارڈ مندرجہ ذیل ہے:

ڈائریکٹرز کے نام	حاضری
جناب شمس الدین شیخ	4
محترمہ عالیہ یوسف	6
جناب حسنین موچھالا	5
جناب جاوید اکبر	5
جناب محسن علی منگی	4
جناب شبیر ہاشمی	6
جناب شہاب قادر	5
جناب شاہد حامد پراچہ	6
جناب وقار ذکریا	5

افرادی قوت کو اپنے ساتھ شامل کرنے کے لئے ایک پائیدار ادارتی میکانزم قائم کرنے کے عزم کا اعادہ کرتے ہوئے کمپنی نے سال 2018 میں انسانی وسائل میں سرمایہ کاری کے اپنے اہداف کو کامیابی سے حاصل کیا۔ اپنی منظم انسانی وسائل کی پالیسیاں کے تحت شامل ہوئی ہماری ورک فورس اس امر کا اظہار کرتی ہے کہ ہم نے اپنے ملازمین کو روزگار کے لئے ایک بہترین ماحول فراہم کیا ہے۔

2018ء میں اینگرو پاورجن قادر پور لمیٹڈ نے بنیادی اقدار کے لئے بذریہ ادارتی مہم، مؤثر تنظیمی ثقافت کو مضبوط کرنے پر اپنی توجہ مرکوز رکھی۔

نئے ٹیلنٹ کو اپنی جانب متوجہ کرنے کے لئے کمپنی نے 'قادر پور ٹرینی انجینئرز ڈرائیو' کے عنوان سے بھرتی ڈرائیو کا اہتمام کیا جس کے تحت مقامی آبادی کے نوجوان انجینئرز کو قادر پور پر قائم ہمارے پلانٹ میں دوسال تک تربیت دی جائے گی۔

ٹیلنٹ کو اپنی جانب متوجہ کرنے اور اپنے ساتھ شامل رکھنے کے لئے تاکہ ہمارے باصلاحیت افرادی قوت کو دوام ملے، ہم نے تربیت کی ضرورت پر تجزیے کے بعد مزید مؤثر ٹیلنٹ مینجمنٹ سسٹم پر اپنی توجہ مرکوز کر رکھی ہے جو تربیتی فریم ورکس پر مشتمل ہے۔ کمپنی نے 2018ء میں کل فعال، تکنیکی مہارت اور نسبتاً آسان ہنرمندی کو فروغ دینے پر 1000 گھنٹے صرف کئے۔

جیسے ہم آگے بڑھ رہے ہیں، کمپنی نے اپنے بنیادی مقاصد میں ملک بھر سے باصلاحیت افراد کو اپنی جانب متوجہ کرنے کے لئے ٹیلنٹ مینجمنٹ سسٹم کو تیار اور لاگو کرنا شامل کر رکھا ہے۔ ہماری پوری توجہ ہے کہ ہم اپنے ملازمین میں سے ہی مستقبل کے قائدین کو تیار کرنے کے لئے مزید کئی اسٹرکچرڈ تربیتی اور مانیٹرنگ پروگراموں کو شروع کریں گے تاکہ ہمارے ملازمین اپنی صلاحیتوں میں اضافہ کریں اور آگے بڑھیں۔

صحت، سیفٹی اور ماحولیات

ہم نہ صرف اپنے ملازمین کی قدر کرتے ہیں بلکہ اپنے کام کی جگہ پر ماحولیات کے حوالے سے بھی اپنی ذمہ داریوں سے بخوبی آگاہ ہیں۔ ہماری قوانین پر عملداری اور گورننس کی سرگرمیوں کی بدولت ای پی کیو ایل کے پراسس اور ایچ ایس ای معیار عالمی معیارات کی پریکٹسز کے عین مطابق ہیں۔ ہم نے نیشنل انوائرنمنٹ کوالٹی اسٹینڈرڈز (NEQS) اور ورلڈ بینک گروپ کی گائیڈ لائنز پر 100 فیصد عمل درآمد کیا ہے۔

0

2018 میں
لوس ورک ڈے انجریز (LWI)

کمپنی نے مالی سال 2018ء میں کامیابی کیساتھ ISO 14001 اور OHSAS 18001 درجہ بندیوں کو دوبارہ حاصل کیا ہے جو ایچ ایس ای سے ہماری وابستگی کے عزم کا واضع ثبوت ہیں۔ ہمارے ملازمین اور اطراف کی مقامی آبادیوں کو مضرصحت خطرات سے پاک رکھنے اور صاف ستھرا ماحول فراہم کرنے کی ہماری کوششوں کے اعتراف میں ہمیں ایس ای پی اے کی جانب سے مضرصحت مادے کی ہینڈلنگ اور اسٹوریج پر این او سی (NOC) دیا گیا۔

سیفٹی پر ہماری ہمیشہ ہی خاص توجہ رہی ہے، ہمارے پراسس سیفٹی مینجمنٹ (PSM) اور پراسس سیفٹی اینڈ رسک مینجمنٹ (PSRM) کے معیار اس حقیقت سے واضع ہوجاتے ہیں کہ دوران کام چوٹ کی شرح صفر رہی، ہم نے کامیابی سے کام کے 7.2 ملین گھنٹے حفاظت سے مکمل کئے اور کمرشل آپریشن ڈیٹ (COD) کے ملنے کے بعد سے 3200 دن بغیر ایل ڈبلیو آئی مکمل کئے۔ اپنے لوگوں کے لئے محفوظ ورک اسپیس کے ہمارے عزم کو قومی فورم برائے ماحولیات اور صحت (NFEH) نے بھی سراہا ہے جنہوں نے ہمیں سال 2018ء میں فائر سیفٹی ایوارڈ سے نوازا۔

ماحولیات کی حفاظت ہماری ایچ ایس ای کوششوں کا لازمی حصہ ہے، ہم نے 2018ء میں کامیابی سے گرین آفس کا سرٹیفیکیٹ دوبارہ حاصل کیا۔ کاربن فٹ پرنٹ کو کم سے کم رکھنے کی ہماری تگ ودو کو بھی قومی فورم برائے ماحولیات اور صحت (NFEH) کی جانب سے تسلیم کیا گیا ہے اور ای پی کیو ایل کو انوائرنمنٹل اسٹیوورڈ شپ کی درجہ بندی میں 10 واں سی ایس آر ایوارڈ عطا کیا گیا۔

مستقبل قریب کا منظرنامہ:

گیس سے چلنے والے پاور پلانٹس اپنی کم لاگت اور اعلیٰ استعدادکار کی بدولت درجہ بندیوں میں اعلیٰ رہیں گے۔ مزید برآں، ای پی کیو ایل این ٹی ڈی سی کی جانب سے مسلسل ڈسپیچ کی درخواست موصول کر رہی ہے امید ہے یہ ٹرینڈ آگے مستقبل قریب میں بھی جاری رہے گا۔

جیسا کہ پہلے بھی بتایا جاچکا ہے کہ حکومت پاکستان توانائی کے شعبے کے گردشی قرضے پر قابو پانے میں ناکام رہی ہے۔ ہم یہ سمجھتے ہیں کہ منظم اقدامات کی غیر موجودگی میں اس مسئلہ کے بنیادی عوامل کو ختم نہیں کیا جاسکتا اس لئے یہ مسئلہ مستقبل میں بھی توانائی سیکٹر کے سامنے چیلنج کی شکل میں موجود رہے گا۔

سال 2018ء کے اختتام تک کمپنی نے اپنے آپریشنل اور دیکھ بھال کی سرگرمیوں کو اینگرو انرجی سروسز لمیٹڈ کو آؤٹ سورس کردیا ہے جس کا قیام 2018ء میں عمل میں لایا گیا۔ اس کمپنی کے بنیادی اغراض ومقاصد میں پلانٹس کی دیکھ بھال اور آپریشن کی نگرانی ہے۔ اس کے موجودہ پورٹ فولیو میں تھرکول اور متبادل ذرائع سے توانائی پیدا کرنے والے منصوبے ہیں۔ تکنیکی ماہر آپریٹر اور کاروباری لاگت میں کمی سے ہمارے شیئر ہولڈرز کے لئے قدر میں اضافہ ہوگا۔

مستقبل میں بھی کمپنی متبادل ایندھن کے ذرائع دریافت کرنے کے اقدامات پر توجہ رکھے گی تاکہ نیشنل گرڈ میں بلاتعطل بجلی شامل کی جاسکے اور تمام اسٹیک ہولڈرز کو فائدہ ہو۔

بنیادی شیئر ہولڈنگ اور شیئرز ٹریڈ

31 دسمبر 2018ء تک کمپنی کی بڑی شیئر ہولڈر اینگرو انرجی لمیٹڈ ہے جس کا سابقہ نام اینگرو پاورجن لمیٹڈ تھا۔ شیئر ہولڈنگ کی تفصیلی معلومات اور حصص یافتگان کے مخصوص طبقوں، ڈائریکٹرز، کمپنی سیکریٹری، ازدواج اور چھوٹے بچوں کی طرف سے شیئرز کی خرید وفروخت کے گوشوارے جن کی معلومات رپورٹنگ فریم ورک کے تحت درکار ہے، اس رپورٹ کے آخر میں دیئے گئے ہیں۔

آڈیٹرز

موجودہ آڈیٹرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس نے بعد از ریٹائرمنٹ اور اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ کی آڈٹ کمیٹی اُن کی برائے مالی سال 31 دسمبر 2019ء کے لئے باحیثیت آڈیٹر تقرری کی سفارش کرتی ہے۔

ڈیویڈنڈ

سال کے دوران کمپنی نے 8 اگست 2018ء کو 1.50 روپے کے ایک عبوری ڈیویڈنڈ کو دینے کا اعلان کیا تھا۔ یہی سال کا آخری ڈیویڈنڈ بھی ہے۔

بعد از ریٹائرمنٹ بینفٹ فنڈز

کمپنی اپنے ملازمین کو بعد از ملازمت اور ریٹائرمنٹ کی مد میں فنڈز کی سہولیات فراہم کرتی ہے۔ جن میں ڈیفائینڈ کنٹری بیوشن (DC)، گریجویٹی فنڈ اور DC پروویڈنٹ فنڈ شامل ہیں۔ اینگرو کارپوریشن گریجویٹی فنڈز اور اینگرو کارپوریشن پروویڈنٹ فنڈ بنیادی مالک ادارے اینگرو کارپوریشن کے زیر انتظام ہیں جو وہ اپنے ملازمین سمیت تمام ماتحت اداروں بشمول اینگرو پاورجن قادر پور لمیٹڈ کے لئے سنبھالتی ہے۔

درج بالا فنڈز کو ٹیکس اتھارٹیز تسلیم کرتی ہیں اور یہ کمپنیز ایکٹ 2017ء کے سیکشن 218 کے عین مطابق ہیں۔

ریٹائرمنٹ فنڈ	اینگرو کارپوریشن پروویڈنٹ فنڈ	اینگرو کارپوریشن گریجویٹی فنڈز
	رقم ملین میں	
آخری آڈٹ کی بنیاد پر کل اثاثے	4,175	1,564
نیشنل سیونگ اسکیم	846	445
گورنمنٹ سیکورٹیز	829	669
لسٹڈ سیکورٹیز	877	403
بینک کے پاس بیلنس	1,008	99
دیگر	615	(52)
واجب الادا	-	-
کل	4,175	1564

رقم میں دیگر اینگرو ذیلی ادارے شامل ہیں جو کہ مرکزی اینگرو کارپوریشن کے ماتحت ہیں۔

اینگرو پاور جن قادر پور لمیٹڈ

ڈائریکٹرز رپورٹ برائے مالی سال ۳۱ دسمبر ۲۰۱۸ء

اینگرو پاور جن قادر پور لمیٹڈ (EPQL) کے ڈائریکٹرز ۳۱ دسمبر ۲۰۱۸ء کو اختتام پزیر ہونے مالی سال کی کارکردگی کا جائزہ رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے مسرت سے پیش کرتے ہیں۔

مرکزی سرگرمی

اینگرو پاور جن قادر پور لمیٹڈ (EPQL) توانائی کی پیداوار و فروخت کے کاروبار کے بنیادی مقصد کے تحت قائم کی گئی ہے۔ کمپنی نے ضلع گھوٹکی نزد قادر پور میں 217.3 میگاواٹ کا کمبائنڈ سائیکل پاور پلانٹ قائم کیا اور 27 مارچ 2010ء سے تجارتی سرگرمیوں کا آغاز کیا۔ یہ منصوبہ اس لئے منفرد ہے کیونکہ اس میں رساؤ والی گیس (کم BTU اور گندھک کی وافر مقدار سے مزین) permeate کو بھی توانائی کی پیداوار میں استعمال کیا جاتا ہے۔ اس سے پہلے یہ گیس شعلہ کی نظر کر کے ضائع کر دی جاتی تھی۔ رساؤ والی گیس کے منفرد استعمال کی بدولت اینگرو پاور جن قادر پور لمیٹڈ کا شمار ملک میں قائم کم موقع جاتی لاگت (Opportunity cost) والے تھرمل پلانٹس میں ہوتا ہے۔ منصوبے سے پیدا ہونے والی بجلی نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی کو 26 اکتوبر 2007ء کو ہونے والے معاہدے 'پاور پرچیز اگریمنٹ' کے تحت فروخت کی جاتی ہے جو تجارتی سرگرمیوں کے آغاز سے اگلے 25 سالوں کے لئے کارآمد ہے۔

اینگرو انرجی لمیٹڈ (سابقہ اینگرو پاور جن لمیٹڈ) ہماری کمپنی کا مالک ادارہ ہے۔ یہ ہماری کمپنی کے 68.89 فیصد حصص کی مالک ہے۔ 2014ء میں کمپنی کا پاکستان اسٹاک ایکسچینج (PSX) میں اندراج ہوا۔

مارکیٹ کا جائزہ

پاکستان کا پاور سیکٹر گزشتہ چند سالوں سے اہم تبدیلی کے مرحلے سے گذر رہا ہے۔ ملک میں آر ایل این جی اور مقامی و درآمد شدہ کوئلے سے بجلی بنانے کے پلانٹس کو اجازت ملنے سے طلب اور رسد میں موجود بلند ترین 3,000 میگاواٹ کا فرق کم کرنے کی جانب پیش قدمی کا آغاز ہو چکا ہے۔ ان نئے توانائی کے منصوبوں میں سے زیادہ تر اگلے ایک سے دو سالوں میں آپریشنل ہو جائیں گے اور ان کی بدولت ملک میں توانائی کے بحران پر قابو پانے میں معاونت ملے گی یہی حکومت پاکستان کی کوشش ہے کہ 2019-20 تک طلب و رسد کے فرق کو یکسر ختم کر دیا جائے۔

مزید براں حکومت پاکستان ملک میں تیل سے پیدا ہونے والی بجلی کے بجائے کوئلے، آر ایل این جی اور متبادل ذرائع سے توانائی پیدا کرنے والے منصوبوں کو بڑھانا چاہتی ہے۔ حکومت پاکستان کی جانب سے لئے گئے اقدامات کی بدولت آنے والے سالوں میں یہ توقع کی جارہی ہے کہ قومی انرجی مکس میں تیل سے بجلی پیدا کرنے کی شرح بالکل ہی گھٹ جائے گی۔

یہاں ایک اور اہم مسئلہ موجودہ ٹرانسمیشن کے انفراسٹرکچر کو اپ گریڈ کرنا ہے تا کہ زائد بجلی کی فراوانی میں کوئی رکاوٹ نہ ہو۔ اس چیلنج سے نبرد آزما ہونے کے لئے نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی (NTDC) موجودہ ٹرانسمیشن نیٹ ورک کو جدید خطوط پر استوار کرنے کے لئے نئے سرکٹس متعارف کروا رہی ہے۔ ساتھ ہی حکومت پاکستان بھی مقامی اور غیر ملکی نجی سرمایہ کاروں کو ٹرانسمیشن لائنز کو ترقی دینے کے لئے سہولیات فراہم کر رہی ہے جو بہت خوش آئند عمل ہے۔

گردشی قرضہ

زیرِ جائزہ مالی سال کے دوران کمپنی کو ملنے والے تاخیر کا شکار وصولیابی گزشتہ مالی سال 31 دسمبر 2017ء کے اعداد و شمار 4,294 ملین روپے سے بڑھ کر اس سال 6,133 ملین روپے ہو گئے۔ اسی طرح توانائی سیکٹر کا گردشی قرضہ مالی سال 2018 کے اختتام تک 808 بلین روپے ریکارڈ ہوا اس کے مقابلے مالی سال 2017ء تک گردشی قرضہ 515 بلین روپے تھا۔ اس حقیقت کے باوجود کہ کمپنی زیر جائزہ مالی سال کے دوران منافع بخش رہی اور اعلیٰ کارکردگی کا مظاہرہ کیا تاہم بڑھتے ہوئے گردشی قرضے نے کمپنی کی لیکوڈیٹی کو متاثر کیا ہے۔ کمپنی کی ہمیشہ کوشش رہی ہے کہ اپنے مالیاتی امور کی دیکھ بھال منظم انداز میں کرے اور حصول یافتگان کو بروقت ادائیگیاں کی جاتی رہیں لیکن تاخیر کا شکار وصولیابی کے مسلسل بڑھنے سے کمپنی نے مجبوراً آخری ڈیوڈنڈ کی ادائیگی روک دی ہے تا کہ دیگر اہم مالیاتی امور کو منظم کیا جاسکے۔ ان مسائل کو مدنظر رکھتے ہوئے حکومت پاکستان سے یہ توقع کی جارہی ہے کہ وہ مختصر مدتی بنیادوں پر اقدامات لے گی تا کہ گردشی قرضے میں کمی لائی جاسکے اور کمپنی کو ضروری لیکوڈیٹی حاصل ہو جس کے نتیجے میں آخری ڈیوڈنڈ کی ادائیگی کی جاسکے۔

آپریٹنگ کارکردگی

EPQL پلانٹ نے زیر جائزہ مالی سال میں 99.9 فیصد قابل بلنگ بجلی کی دستیابی کو یقینی بنایا جبکہ گزشتہ سال کے دوران پلانٹ نے 100.3 فیصد کی قابل بلنگ بجلی کی دستیابی یقینی بنائی تھی۔ پلانٹ نے زیر جائزہ سال کے دوران نیشنل گرڈ میں کل نیٹ الیکٹریکل آؤٹ پٹ 526,1 گیگاواٹ شامل کی جس کا لوڈ فیکٹر 81.9 فیصد رہا جبکہ پچھلے سال کے دوران لوڈ فیکٹر 92.9 فیصد تھا۔ لوڈ فیکٹر میں کمی کی بنیادی وجہ قادر پور گیس فیلڈ میں گیس کا ختم ہونا تھا۔

مالیاتی کارکردگی:۔

زیر جائزہ مدت کے دوران فروخت آمدن 11,874 ملین روپے ریکارڈ کی گئی۔ گزشتہ مالیاتی سال میں کمپنی کی فروخت آمدن 11,590 ملین روپے تھی۔ کمپنی کی فروخت آمدنی میں اضافے کے بنیادی محرکات میں ڈالر کی قدر میں اضافہ اور گزشتہ سال کے مقابلے گیس کی قیمتوں میں بڑھوتی ہے۔

کمپنی کا مجموعی منافع زیر مالی سال کے دوران 010,3 ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال میں کمپنی کا مجموعی منافع 2,712 ملین روپے رہا تھا۔ گزشتہ سال کے مقابلے اضافے کی وجہ بلند اشاریہ کی بنیاد پر آپریشن اور مینٹیننس لاگت کی زائد کھپت رہی۔ کمپنی کو موصول ہونے والی دیگر آمدن انشورنس کی مد میں وصول ہوئی، یہ سیٹلمنٹ کلیم کمپنی کو 2016ء کی پہلی سہ ماہی میں پاور پرچیزز کے ٹرانسفارمر میں آگ لگنے کی وجہ سے کاروباری سرگرمیوں میں کمی کے عوض حاصل ہوئی۔ این ٹی ڈی سی کی جانب سے طویل مدتی فنانس چارجز اور بلند شرح سود کی مد میں ملنے والی آمدنی کی بدولت کمپنی کے رننگ فنانس اس سال 196 ملین روپے رہی جبکہ گزشتہ سال رننگ فنانس 269 ملین روپے تھی۔ سال کے دوران دو سینئر قرضہ فراہم کرنے والے اداروں کو قسط کی مد میں 20.6 ملین ڈالر ادا کئے گئے جن کی پرنسپل ادائیگیاں 18.6 ملین ہیں۔ نتیجتاً غیر ملکی قرضہ کم ہو کر 26 ملین ڈالر رہ گیا ہے۔ کمپنی نے منصوبے کی مد میں پر کل قرضہ 144 ملین ڈالر حاصل کیا تھا۔

این ٹی ڈی سی سے وصولیابی رقم 31 دسمبر 2018ء تک 133,6 ملین روپے رہی جبکہ 31 دسمبر 2017ء تک یہ وصولیابی رقم 294,4 ملین روپے تھی۔ اس طرح SNGPL کو واجب الادا رقم 31 سمبر 2018ء تک 605,3 ملین روپے رہی جبکہ 31 دسمبر 2017ء تک واجب الادا رقم 716,1 ملین روپے رہی تھی۔ کمپنی نے سال 2018 میں 2,628 ملین روپے کا کُل منافع حاصل کیا ہے پچھلے سال منافع 391,2 ملین روپے تھا۔ نتیجاً فی شئیر آمدنی 2018ء کے اختتام پر 11.8 روپے ہو گیا جبکہ گزشتہ سال 7.38 ادا کیا گیا تھا۔

گیس کا منظر نامہ

قادر پور گیس فیلڈ سے MMCFD75 رساؤ والی گیس کی ترسیل کے لئے کمپنی نے سوئی ناردرن گیس پائپ لائنز لمیٹڈ سے گیس سپلائی اگریمنٹ کیا ہے۔ ویسے تو قادر پور گیس فیلڈ سے گیس کی ترسیل کم ہونا شروع ہو گئی ہے تاہم کمپنی گیس کے ذخائر میں کمی کے اثر سے محفوظ ہے کیونکہ معاہدے کے تحت کمپنی پلانٹ کو گیس اور ہائی اسپیڈ ڈیزل سے آپریٹ کر سکتی ہے۔ مزید براں عمل درآمد کے معاہدے (Implementation Agreement) کی شق کے تحت حکومت پاکستان گیس ذخائر میں کمی پر کمپنی کو ایندھن کو تبدیل کرنے کی لاگت اور دیگر آپریشنز کی مد میں ادائیگی کی مجاز ہے۔ اس کے باوجود کمپنی نے طویل مدتی بنیادوں پر ایندھن کے مختلف ذرائع پر کام کرنا شروع کر دیا ہے۔

سماجی سرمایہ کاری

ہماری کمیونٹیاں ہمارے بنیادی قدر پر عمل درآمد کا کلیدی حصہ ہیں اور ہمیں اُن کی سماجی بہبود میں بہتری لانے کے حوالے سے اپنے لئے گئے اقدامات پر فخر ہے۔ ہماری اولین کوشش رہی ہے کہ علاقے کے لوگوں کے لئے تعلیم، سماجی بہبود اور صحت عامہ اور آمدن کے ذرائع بہتر کرنے کے لئے اقدامات لیں۔ زیر جائزہ سال کے دوران بھی کمپنی نے اپنے کارپوریٹ سماجی ذمہ داری پروگرامز کے تحت کئی ایسے منصوبوں کا آغاز اور پہلے سے موجود پروگرامز کو جاری رکھا جو ہمارے پلانٹ کے اطراف کی آبادی کی زندگیوں میں بہتری پیدا کر سکیں۔

ذرائع روزگار پیدا کرنے کی نیت سے ہنرمندی سکھانے والے کئی تربیتی پروگرامز جاری رکھے گئے کیونکہ ایسا کرنے سے مقامی آبادی اپنے پیروں پر کھڑی ہوگی بلکہ اُن کے سماج میں بہتری آئے گی۔ اس سال ہم نے خواتین کو بااختیار، ہنرمند اور برسرروزگار بنانے کے لئے خصوصی طور پر اقدامات کئے اور اُنہیں ایسے مواقع فراہم کئے جس کے ذریعے وہ اپنے گھر والوں کا پیٹ پال سکیں اور علاقے کی معاشی ترقی میں بڑھ چڑھ کر حصہ لے سکیں۔

مفید اور اعلیٰ معیاری تعلیم ہر انسان کا بنیادی حق ہے اور یہی وہ امر ہے جو کسی بھی کمیونٹی میں انقلابی تبدیلی پیدا کر سکتی ہے ہم اس حقیقت سے بخوبی آگاہ ہیں اس لئے اس سال بھی ہم نے کئی سطحوں پر اثر انداز ہونے والے اقدامات لئے ہیں۔ اس سال ہم نے کچا اسکول کے طالب علموں کو کئی سرگرمیوں میں مصروف رکھا۔ ہم نے موٹر سائیکل سواروں میں ہیلمٹ کے استعمال کی اہمیت واضع کرنے کے لئے آگاہی مہم کا آغاز کیا۔ ہم نے مقامی پولیس کے ساتھ شراکت داری میں گھوٹکی ضلع میں آگاہی مہم شروع کی اور 150 موٹر سائیکل سواروں میں مفت ہیلمٹ تقسیم کئے۔ یہ ہیلمٹ اُن موٹر سائیکل سواروں کو دیئے گئے جن کے پاس لائسنس تھا اور جنہوں نے روڈ سیفٹی پر کوئز کے بالکل درست جوابات دیئے۔

تاریخ شاہد ہے کہ ہم نے ہمیشہ اطراف کی آبادیوں اور ملک کے غریب و متوسط طبقے کو صحت عامہ کی اعلیٰ اور معیاری سہولیات فراہم کرنے کی تمام تر کاوشیں کی ہیں۔ اس سال بھی ہم نے مختلف حصول یافتگان کے ساتھ باہمی مشاورت و شراکت داری سے ہیپاٹائٹس، ملیریا اور ٹائی فوائیڈ جیسی مہلک پر قابل علاج بیماریوں کی اسکرینگ اور تشخیص کے لئے کئی میڈیکل کیمپ لگائے۔ ان کیمپوں کے ذریعے اطراف کی آبادی کے 1500 لوگوں کو ان بیماریوں سے بچاؤ کی ویکسین میسر آئی۔ مزید براں کچا کے علاقے میں ہم نے 1000 لوگوں کو ہیپاٹائٹس کی ویکسین فراہم کرنے کے لئے مخصوص کیمپ کا انعقاد کیا گیا۔ الشفاء ٹرسٹ کی معاونت سے ہماری سالانہ اہم سماجی خدمت آنکھوں کا کیمپ کامیابی سے جاری رہا جس میں 2500 او پی ڈیز کی گئیں جن میں سے 2000 افراد کی آنکھوں میں بیماریوں کی تشخیص پر 425 سرجریاں کی گئیں۔ یہ سرگرمی چار روز تک جاری رہی جس میں پچاس ملازمین نے رضاکارانہ طور پر خدمات سرانجام دیں۔

ہمارے لوگ

ہماری مسلسل جاری و ساری ترقی کے پیچھے اگر کوئی بنیادی خیال ہے تو وہ ہے کہ ہم اپنی ٹیم میں ہمیشہ پاکستان بھر سے نئے باصلاحیت افراد کو شامل کرتے ہیں۔ ہم اُنہیں نہ صرف اپنے جانب راغب کرتے ہیں بلکہ ساتھ شامل کرتے ہیں اپنا حصہ بناتے ہیں۔ اعلیٰ کارکردگی کا مظاہرہ کرنے والی ٹیم کو شمولیت کے کلچر میں پروان چڑھانا، پروفیشنل ازم اور اعلیٰ ترین کارکردگی حاصل کرنا ہماری وہ خوبی ہے جو ہماری کامیابی کی ضامن ہے۔ ہماری ہمہ گیر کوشش ہے کہ ہم کثیر مقصدی حکمت عملی کے تحت ملازم کی ادارے سے وابستگی، ترقی کے مواقع، معاوضہ اور فوائد، برابر مواقع اور متنوع افرادی قوت اور انسانی حقوق کے عالمی اصولوں پر تنظیمی ثقافت کو فعال بنانے جیسے اہم ستونوں کی بنیاد پر ملک کی اعلیٰ افرادی قوت کے لئے روزگار کا اولین انتخاب بنیں۔

چیئرمین کا پیغام

محترم حصص یافتگان

تقریباً ایک دہائی سے اینگرو پاور جن قادر پور لمیٹڈ پاکستان کے اقتصادی اور توانائی کے منظر نامے کا حصہ ہے اور اس میں موجود توانائی کا بحران، گردشی قرضہ اور گیس لوڈ شیڈنگ جیسے چیلنجز سے نبرد آزما ہونے کیساتھ متعدد کامیابیاں بھی حاصل کی ہیں۔ تاہم کچھ سالوں میں توانائی کے ملکی منظر نامے میں مثبت تبدیلیاں رونماء ہوئی ہیں جن کی بنیاد پر ای پی کیو ایل پاکستان میں توانائی کے شعبے کے لئے حل فراہم کرنے میں نا صرف اپنا کردار بخوبی سرانجام دے رہی ہے بلکہ مزید کئی اقدامات لینے پر پر عزم ہے۔

ہماری توجہ ہمارے وژن کی عکاس ہے جس کے تحت ہم توانائی کو جلد از جلد موجودہ ذرائع سے، کم لاگت اور مستحکم بنیادوں پر پیدا کر کے اپنے ملک کو فراہم کرنا چاہتے ہیں اور اس کے لئے سرمائے کا باہمی اشتراک اور انجینئرنگ کی اعلیٰ ترین استعداد کار کو استعمال کر رہے ہیں۔ امید ہے کہ اگلے چند سالوں میں تیل سے توانائی پیدا کرنے میں بتدریج کمی آئے گی تاہم توانائی شعبے کو دوام بخشنے اور زیادہ مؤثر بنانے کے لئے گردشی قرضہ جیسے سنگین مسئلے کو اولین بنیادوں پر ختم کرنا ضروری ہے۔ سال بھر کے دوران ہم نے ای پی کیو ایل پلانٹ کے لئے متبادل ایندھن کے ذرائع دریافت کرنے کی مہم جاری رکھی کیونکہ فی الحال تو پلانٹ قادر پور گیس فیلڈ سے رساؤ والی گیس حاصل کرتا ہے لیکن مستقبل میں گیس کے ذخائر میں کمی ہو جائے گی۔

گزشتہ سال ہم نے آپ سرمایہ کاروں کے لئے اعلیٰ آپریشنل کارکردگی اور مستقبل کے لئے فعال حکمت عملی کے درمیان توازن قائم رکھ کر اپنے عزم کا اعادہ کیا۔ اس سال بھی ہم اپنے اُسی وعدے پر قائم رہے اور اپنے اعلیٰ استعداد کار کی بدولت حاصل ہونے والی شاندار کارکردگی سے پاکستان کی ابھرتی ہوئی توانائی مارکیٹ میں اپنی پوزیشن مزید مستحکم کی۔ ہم نے اپنے آپریشنز میں تکنیکی صلاحیتوں کو مزید مؤثر بنانے کے لئے ڈیجیٹائزیشن اور صنعتی انٹرنیٹ ٹیکنالوجیز کو اختیار کرنے پر اپنی توجہ مرکوز کی تا کہ تکنیکی مہارت حاصل کی جا سکے اور مسابقتی ماحول کے تناظر میں ہماری لاگت کم سے کم رہے۔ مزید براں نظم و ضبط اور مسلسل جدت کو اپنا کر ہم اپنے قابل قدر حصص یافتگان کے لئے قدر میں اضافہ کرنے کے لئے اقدامات کر رہے ہیں۔ حال ہی میں اپنائے گئے بزنس فریم ورک کے تحت ہمیں یقین ہے کہ کاروباری ٹرانسفارمیشن سے ہمارے تمام آپریشنز میں مزید بہتری آئے گی جن سے اعلیٰ نتائج متوقع ہیں۔

ہم اپنے ملک کی ترقی سے اپنی امید جوڑتے ہیں کیونکہ ہماری قوم نے کئی مشکلات پر قابو پایا ہے اور بالکل ایسے ہی مستقبل میں ہم ہر قسم کی مشکلات سے نبرد آزما ہونے کی صلاحیت رکھتے ہیں۔ ای پی کیو ایل کے لئے یہ باعث فخر ہے کہ ہم اپنی کمیونٹیز کی ترقی میں اپنی ترقی دیکھتے ہیں۔ ہماری ہمیشہ سے یہی کوشش رہی ہے کہ ایک ایسے ادارے کے طور پر اُبھریں جہاں مقصد صرف منافع نہیں بلکہ فلاح ہے اور یہی ہماری مقصدیت پر مبنی حکمت عملی ہمیں باقی اداروں سے الگ کرتی ہے اور کمیونٹیز میں تعلیم، صحت و روزگار جیسی سہولیات فراہم کرنے کے لئے رہنمائی کرتی ہے۔ مستقبل میں بھی ہم حصول یافتگان، ہمارے شراکت دار اور ہمارے لوگوں کے لئے بہتری کی کاوشیں جاری رکھیں گے تا کہ ہمارے حصص یافتگان کے لئے قدر میں اضافہ ممکن بنایا جاتا رہے۔

یہ ایک حقیقت ہے کہ مستقبل غیر معمولی حالات اور چیلنجز سے خالی نہیں لیکن آپکا اعتماد، ہمارے لوگوں کا عزم اور ہماری انجینئرنگ کی اعلیٰ ترین صلاحیت کی بنیاد پر میں حتمی طور پر کہہ سکتا ہوں کہ آنے والے سال ہمارے لئے مزید منافع بخش ثابت ہونگے اور قدر میں اضافہ جاری رہے گا۔

شمس الدین شیخ
چیئرمین